



PUBLIC NOTICE
HUACHUCA CITY TOWN COUNCIL
MEETS
THURSDAY, May 09, 2019, AT 7:00PM
HUACHUCA CITY TOWN HALL-500 N. GONZALES BLVD. HUACHUCA CITY,
AZ 85616

AGENDA

A. Call to Order

Mayor

- Pledge of Allegiance
- Roll Call and Ascertain Quorum
- Invocation

Any prayer/invocation that may be offered before the start of regular Council business shall be the voluntary offering of a private citizen, for the benefit of the Council and the citizens present. The views or beliefs expressed by the prayer/invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker. A list of volunteers is maintained by the Town Clerk's Office and interested persons should contact the Town Clerk's Office for further information.

B. Call to the Public

Mayor

A.R.S. 38-431.01 states the Public Body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the Public Body. At the conclusion of an open call to the public, individual members of the Public Body may respond to criticism made by those who have addressed the Public Body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the Public Body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

C. Consent Agenda

Mayor

All Items listed in the Consent Agenda are considered routine matters and will be enacted by one motion of the Council. There will be no separate discussion of these items unless a Member of the Town Council requests that an item or items be removed for discussion. Council Members may ask questions without the removal of the item from the Consent Agenda. Items removed from the Consent Agenda are considered in their normal sequence as listed on the agenda, unless called out of sequence.

- C.1** Consider approval of the minutes of the Council meeting held on April 25, 2019.

- C.2 Consider approval of the minutes of the Council budget work session held on May 02, 2019.
- C.3 Consider approval of the Payment Approval Report in the amount of \$ 46,762.63
- C.4 Approval of Special Event Liquor License for Nomaden International Motorcycle Club for July 27-28, 2019.

D. Unfinished Business before the Council

Mayor

Public comment will be taken at the beginning of each agenda item, after the subject has been announced by the Mayor and explained by staff. Any citizen who wishes, may speak one time for five minutes on each agenda item before or after Council discussion. Questions from Council Members, however, may be directed to staff or a member of the public through the Mayor at any time.

E. New Business before the Council

Mayor

Public comment will be taken at the beginning of each agenda item, after the subject has been announced by the Mayor and explained by staff. Any citizen who wishes, may speak one time for five minutes on each agenda item before or after Council discussion. Questions from Council Members, however, may be directed to staff or a member of the public through the Mayor at any time.

- E.1 Discussion and/or Action [Manager Williams]: Council Adoption of 2017-18 City Financial Audit. The audit will be presented by Hinton Burdick, P.C. The audit presentation might include all aspects of the Town's revenues, expenses and account balances for all of the City's departments and enterprises.
- E.2 Discussion and/or Action [Manager Williams] Approval of HAWE Invoice 04-25-2019 in the amount of \$31,460 to complete the ADEQ required well project in the Town landfill.
- E.3 Discussion and/or Action [Mayor Wallace]: Second Required Reading and Adoption of Ordinance 2019-11, AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, AMENDING THE TOWN CODE TITLE 2 "ADMINISTRATION AND PERSONNEL," CHAPTER 2.35 "OFFICERS," SECTION 2.35.015 "TOWN MANAGER," TO ALLOW THE TOWN MANAGER TO SELECT HIS OR HER DESIGNEE IN THE TOWN MANAGER'S ABSENCE AND TO ALLOW THE TOWN COUNCIL TO SELECT A DESIGNEE DUE TO THE TOWN MANAGER'S INCAPACITY OR SEPARATION; AND TO REQUIRE COUNCILMEMBERS TO GO THROUGH THE TOWN MANAGER TO CONSULT WITH TOWN EMPLOYEES REGARDING TOWN BUSINESS.
- E.4 Discussion and/or action: [Mayor Wallace]: Second Required Reading and Adoption of Ordinance 2019-12, AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF

HUACHUCA CITY, COCHISE COUNTY, ARIZONA, AMENDING THE TOWN CODE, TITLE 9, "PUBLIC PEACE MORALS AND WELFARE," CHAPTER 9.30 "JUNKED MOTOR VEHICLES," SECTION 9.30.010 AND SECTION 9.30.020, TO REVISE THE DEFINITION OF "INOPERABLE VEHICLE" AND PROHIBIT CERTAIN STORAGE OF INOPERABLE VEHICLES ON PRIVATE PROPERTY; AND ADDING SECTION 9.30.060 PROVIDING CIVIL AND CRIMINAL PENALTIES FOR VIOLATIONS.

- E.5 Discussion and/or Action [Mayor Wallace]: Second Required Reading and Adoption of Ordinance 2019-13, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA, AMENDING THE TOWN CODE, TITLE 10 "VEHICLES, TRAFFIC AND PARKS," CHAPTER 10.20 "ABANDONED VEHICLES," SECTIONS 10.20.030 AND 10.20.090, TO REMOVE THE FEE AMOUNTS FROM THE TOWN CODE AND TO ALLOW THE TOWN COUNCIL TO ESTABLISH AND AMEND A FEE SCHEDULE BY RESOLUTION.**
- E.6 Discussion and/or Action [Chief Thies]: Council staff direction to receive an official response from Cochise County in regards to animal shelter renovation funding.**
- E.7 Discussion and/or Action [Manager Williams]: Consider adoption of Resolution 2019-16, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA, AUTHORIZING THE TOWN TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF SIERRA VISTA FOR ANIMAL CARE SERVICES.**
- E.8 Discussion and/or Action [Attorney Benavidez]: Consider adoption of Resolution 2019-17, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA, ESTABLISHING A UNIFORM VIDEO SERVICES APPLICATION AND AFFIDAVIT AND UNIFORM VIDEO SERVICE LICENSE AGREEMENT, PURSUANT TO SENATE BILL 1140 AND HOUSE BILL 2229.**
- E.9 Discussion and/or Action [Mayor Wallace]: Executive [closed] session, pursuant to A.R.S. 38-431.03(A) (1) & (4), for the annual employment evaluation of the Town Manager, Matthew Williams, and discussion of his employment and contract terms. Any formal action on this item will be taken in open session.**
- E.10 Discussion and/or Action [Manager Williams]: Approval of Huachuca City Fiscal Year 2019-20 Tentative Budget. All Town revenues and expenses may be discussed and acted upon.**
- E.11 Discussion and/or Action [Manager Williams] Approval of a uniform training cost reimbursement agreement for new police hires in relation to Police Academy costs.**
- F. Items to be placed on future agendas**
- G. Reports of Current Events by Council**
- H. Adjournment**

Posted at 5:00pm May 7, 2019 at the following locations:

Town Hall Bulletin Board 500 N. Gonzales Blvd. Huachuca City, AZ 85616	Town Hall Lobby 500 N. Gonzales Blvd. Huachuca City, AZ 85616	Town Website https://huachucacityaz.gov
Huachuca City U.S. Post Office 690 N. Gonzales Blvd. Huachuca City, AZ 85616	Huachuca City Library 506 N. Gonzales Blvd. Huachuca City, AZ 85616	Huachuca City Police Department 500 N. Gonzales Blvd. Huachuca City, AZ 85616

Matthew Williams

Interim Town Clerk

Note: This meeting is open to the public. All interested people are welcome to attend. A copy of agenda background material provided to the Committee Members, with the exception of material relating to possible executive session, are available for public inspection at the Town Clerk's Office, 500 N. Gonzales Blvd., Huachuca City, AZ 85616, Monday through Friday from 8:00 a.m. to 5:00 p.m. or online at www.huachucacityaz.gov

Individuals with disabilities who need a reasonable accommodation to attend or communicate at a town meeting, or who require this information in alternate format, may contact the Town at 456-1354 (TTY 456-1353) to make their needs known. Requests should be made as early as possible so there is sufficient time to respond.



**MINUTES OF THE
HUACHUCA CITY TOWN COUNCIL
MEETS
THURSDAY, APRIL 25, 2019 AT 7:00PM
HUACHUCA CITY TOWN HALL, 500 N. GONZALES BLVD,
HUACHUCA CITY,
AZ 85616**

AGENDA

A. Call to Order

Mayor

- Pledge of Allegiance
- Roll Call and Ascertain Quorum
- Invocation

Any prayer/invocation that may be offered before the start of regular Council business shall be the voluntary offering of a private citizen, for the benefit of the Council and the citizens present. The views or beliefs expressed by the prayer/invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker. A list of volunteers is maintained by the Town Clerk's Office and interested persons should contact the Town Clerk's Office for further information.

The meeting was called to order at 7:00pm.

Roll Call.

Present: Mayor Johann Wallace, Mayor Pro-Tem Donna Johnson, Cynthia Butterworth, Joy Banks, Christy Hirshberg, Debra Trate, Walt Welsch, Matthew Williams (Not Voting), Thomas Benavidez, Attorney (Not Voting)

The Invocation was led by Pastor Booker Miles.

B. Call to the Public

Mayor

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Mayor Wallace calls Mr. Peet to the front and requests that he state his name and address. Mr. Peet informs Mayor Wallace that he has a hearing impairment.

Mr. Peet states that his name is Dale Peet. He resides at 2122 N. Highway 90, owns 113 Pinal. He is here to speak about three things, first on a positive note he wishes to thank the Chief and his officers for doing more recent drive arounds, meaning their windows are down and they wave and say "Hi". Regarding the water/sewer bill, he knows it was raised last month and he apologizes for not being here. He states that it has been raised almost 100 percent. He states that he knows it doesn't seem that way, his normal water bill on Pinal was \$38 and it just went up \$20 bare bones minimum it has to go up that. He states that that is almost 100 percent raising, and further states that there has to be an option for that. He does not know what it is, but he is bringing it for the council to talk about. He states he goes back to not a lot of education but he works very hard in a mechanical way and he

never thinks about numbers anymore, but to him there's, according to the City Manager, 700 plus houses here, and they raised it \$20 per account, that's \$14,000 more a month, every month. He knows we are behind from the past, we have to make that up but there's got to be a step or something. What do we do for the elderly? The ones that are on fixed budgets. Children that are on the same boat that are making \$10 an hour and struggling, now their cup is full, we're taking a \$20 ice cube and throwing it in that cup, \$20 is coming out of that. Does that mean they don't have their steak night? He doesn't know how they're going to do it but this is rough for everybody. The middle income won't notice it a lot, but Huachuca City has a lot of low income and a lot of elderly, somebody has got to speak for them. He didn't want to be that one, but he will. He's going to jump off of that, as he said \$14,000 per month making that \$28,000 every 2 months times 6 is roughly \$180,000, more than you're getting by without right now. There has to be a step. The sewer goes up depending on how much water he uses, so if he waters his yard, it's on a step program too. How is that possible? Again it is just a question to council to discuss in chambers or whatever. He has heard that there is a petition going around, he hasn't seen it, but he doesn't know what the petition would be, nobody gets up there to speak, that dealt with his last complaint regarding not having any recycling or anything. This means that people are throwing batteries away. They throw away pesticides, the stuff that goes into the dump, you already know when you take a load, you just heard we don't even think about that. He isn't sure but thinks that there are federal guidelines on that. We have to have something so that doesn't end up in the dump. Again it's a question to council, he does not have nor want the education to know that. He thinks Huachuca City is a beautiful little town and that we are making leaps and bounds. He thinks the people and the council are both doing that but if the water bills and stuff keep going up, he will be asking people to run against council members. It will not be him because he does not want the job because it is difficult and you have to listen to people like him. That's all he has to say. Another Kudos to the Chief and his officers, it makes a big difference in the crime rate.

Mayor Wallace confirms that there are no more Call to the Publics.

C. Consent Agenda

Mayor

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- C.1 Consider approval of the minutes of the regular Council meeting held on April 11, 2019.
- C.2 Consider approval of the minutes of the Council executive session held on April 11, 2019.
- C.3 Consider approval of the Payment Approval Report in the amount of \$171,880.25.
- C.4 Authorize the declaration as surplus property the following items, to be sold by auction or otherwise disposed of in accordance with Town Policy:
 - a. Lot of outdoor mercury lights.

Motion: Consider approval of the Consent Agenda, Action Open item for discussion/action Moved By Mayor Wallace, Seconded by Mayor Pro-Tem Johnson

Mayor Wallace asked if there were any questions regarding the items on the Consent Agenda. Mayor Wallace informs everyone that the \$171,880.25 includes the payment to the Whetstone Fire District and that is why it is so high for the month.

Motion: Approve everything under the Consent Agenda items C.1 through C.4 **Moved By Mayor Wallace, Seconded By Mayor Pro-Tem Johnson Motion Passed 7-0**

D. Unfinished Business before the Council

Mayor

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D.1 Discussion and/or Action: [Mayor Wallace]: Review of rating criteria for Town Manager's annual performance evaluation.

Motion: Open Item D.1 for discussion/action, **Action** Open Item for discussion. **Motioned by Mayor Wallace, Seconded by Councilmember Hirshberg**

Mayor Wallace asks Manager Williams if he got any feedback from the Councilmembers. He states that he has not.

Mayor Wallace asks Councilmembers if they have any question/concerns or modifications to it.

Councilmember Welsch states that he knows the usefulness of this type of thing, and this is designed to be used when you are trying to weed out 300,000 people, military and that type of thing. When it's this small of a group, evaluating a single individual it basically classifies as a rubber stamp, either pass or fail. He states that one of the things he has seen done with this type of evaluation is if you choose anything on the low side or anything on the high side, you have to put down a reason, under each one. That's what he is used to. That is the way this is structured. It is not easily accomplished. He states that you need to set criteria, such as if you do a one or a two you have to write a reason whereas if you write a three or four you don't have to write a reason and if you give them a five you have to give a reason. Or something like that so that it can be a useful tool. As of the last meeting, someone said boy this looks easy and some of you said "yeah", so that indicated to him that three people down that way had already approved this and he just found that strange.

Mayor Wallace addresses his concerns suggesting that he look at the forms because there are different sections and there is one that reads comment area, where you can quantify your statement if you wish and if you don't then you don't. The comments that he made about it being easy were because it's not supposed to be a difficult form to fill out. It is an evaluation, the same that Seago uses to evaluate the Executive Director. He reiterates that he did not create this, he just assumed it and made use of it for the evaluation for Manager Williams.

Mayor Pro-Tem Johnson states that she does not believe she said it was easy, rather that she said she's already done it because that's what is was in the packet for. She also states that Councilmember Welsch is not used to it because this is not Pennsylvania, it is Huachuca City and everything from back there to here is so different so of course he wouldn't find this back there or any other place. She states that this is a small town and that Councilmember Welsch has said that himself. She states that it is personal.

Councilmember Trate states that she believes it's a good form. She also is from Pennsylvania and she worked in Philly and this was similar, not this identical format, but when she had to get reviewed by companies she worked

for it was a similar format. It was like did you obtain these goals for functions of the position and it's yeah they did or they didn't and you can write your reason whether they did or they didn't. It's just a matter of what everyone else is saying, it's just a matter of getting used to it. Things are changing and we have to kind of go with the flow. She thinks that it is all encompassing, it is covering everything that should be covered.

Mayor Wallace asks Mr. Benavidez if he has any problems with the form. He states that he does not have any legal issues with it at all.

Mayor Wallace asks for any other council comments.

Councilmember states that the purpose of an evaluation is to let the employee know what they are doing well in and where they need to improve, to give positive feedback and support as far as to correct what needs to be corrected. She states that this gives a basic guideline to interact with the staff member in her opinion.

Motion: Approve the form as is for use of Manager Williams' evaluation that will be occurring in May. **Motioned by Mayor Wallace, Seconded by Mayor Pro-Tem Johnson.** Motion passed 6-1. Opposed by Councilmember Welsch.

Mayor Wallace gives direction to council that forms should be filled out and put in an envelope in his box. Councilmember asks him to repeat. He does. He also states that he will consolidate all the responses and asks that they are done by next Friday, May 3rd, 2019.

E. New Business before the Council

Mayor

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E.1 Discussion only [Mayor Wallace]: Presentation of the Yard of the Month winners for May 2019, in coordination with the Friends of Huachuca City.

Motion: Open Item E.1 for discussion. **Action:** Open item for discussion. **Moved by Mayor Wallace , Seconded by Mayor Pro-Tem Johnson .**

Mayor Wallace states that the yard of the month is something that is done by the Friends of Huachuca City, they have all gone around looking at yards and they make a selection and pick a winner and the winners get certificates and coupons. He thanks Barbara Henry for taking care of her yard stating that the town appreciates it and it makes Doc Johnson's job easier as well. He calls for James Madison and Adam Hall as well, Mr. Hall is present and he is thanked as well.

E.2 Discussion and/or Action [Manager Williams]: Monthly Budget Update Report to be presented by Spencer Forsberg of Haymore and Forsberg, C.P.A.

Motion: Open Item E.2 for Discussion and/or Action **Action:** Open item for Discussion **Moved by Mayor Wallace, Seconded by Mayor Pro-Tem Johnson.**

Mayor Wallace calls upon Mr. Forsberg. Mr. Forsberg greets council and Mayor and states that they will be discussing financials through the month of March 2019, which is three fourths of the way through the fiscal year. He states that there are some highlights he would like to discuss. General Fund for the month of March, we just about break even, showing a loss of about \$2,000.00. There was about \$40,000.00 come in for auction proceeds which really helped the month for revenue. Some expenses that came in that were out of the norm were a bill for the Audit that has been taking place, a lease or loan was paid off for the animal shelter vehicle for \$19,180.00. Those couple of expenses that are out of the norm created the \$2,530.00 loss for the month of March. He states that year to date, or 75% of the way through the fiscal year, we are operating with \$100,000.00 loss, which he states is a drastic improvement from the prior years. He further states that we have been able to cut down on expenses and find some revenue through selling some equipment and different ways, so it has been a big improvement this year. He states he thinks Manager Williams and Ms. Ha have done a good job of narrowing down some of these things that could be cut out.

Enterprise Funds on page 22 of report, starting with the water fund, with the budget being the same as it has been for prior months we are operating at a loss on Enterprise Funds. For example on the Water Fund there was a revenue of \$12,900.00 for the month of March. Expenses came in at \$36,800.00, so that's a loss of almost \$24,000.00 for just the month of March. Year to date on Water Fund we are operating at \$116,000.00 loss.

Page 24 is the Sewer Fund, with a recognized revenue of \$9,468.00 and expenses of \$24,922.00, loss of \$15,453.00. Year to date loss on Sewer Fund is at \$60,300.00.

Garbage Fund, page 26, we saw revenue of \$11,100.00 and expenses of \$20,482 but last month we didn't have the invoice from the subcontractor and this month both invoices hit so that's why there is \$20,461.00 in expenses otherwise we would have been operating at a profit.

Landfill Fund, page 28, operated at a \$46,000.00 profit for the month. He states that is a nice change. A big part of that was some equipment being both bought and sold during the month and saw almost a \$30,000.00 shift. We bought equipment for \$90,000.00, but sold equipment for \$120,000.00. He states that is a good end to be on.

He states that those are the big highlights through March 2019 and he will be happy to address any questions.

Councilmember Welsch states that we have been leasing a scraper and cat and he is curious where it is on the Landfill Fund. He is informed that that should be under Capital Expenditures on the Landfill. Councilmember Welsch states he is just curious to see what it costs us to rent those for three months or so. Councilmembers and others try to locate where it is. Mr. Forsberg states Capital Lease for the GMM earning is 705, he would have to go pull the description of that. Manager Williams states that is the cat payment, it's the 6....

Mr. Forsberg states that it is \$6,764.00. Manager Williams says that's paying for the equipment 100%. Councilmember Welsch says he is talking about fiscal and Manager Williams says they are trying to find it. Councilmember Welsch says he just looked down the list and didn't see it. Manager Williams asks for a second. Councilmember Welsch says he knows they use some strange names for categories and that's why he is asking. Manager Williams says bear with them. Manager Williams tells Councilmember Welsch that it is under line item 16. That's Equipment Maintenance \$5540.16, you'll see the monthly expenditure for this month for \$15,724.00 and we're showing 2 separate bills here, one for \$5859 and one for \$2835, so again it falls under 610 that is Equipment Maintenance line item.

Mayor Wallace asks why we are tagging it under Equipment Maintenance. He states he understands why we have it because we need it but it should still be under Capital Lease. Manager Williams states that the only thing that can be put under Capital Lease is the payment on the equipment that we actually have. He also states that for the next budget year we can add a line item if they want.

Mayor Wallace states that they can discuss that during the budget meeting. Manager Williams agrees, Councilmember Welsch suggests they just add a line for rented equipment. Manager Williams states they can do that too, either way.

Mayor Wallace says at least we know where we are now. Councilmember Welsch says he thought we paid \$80,000.00 for the old scraper (the one that got dumped) to be fixed out of the General Fund. Manager Williams states that was not \$80,000.00 it was about \$47,000.00. Mayor Wallace clarifies that it is not \$4,700.00 but \$47,000.00 and Manager Williams confirms. Manager Williams states that that was last budget year and it will not be seen on this budget of course. Councilmember Welsch thanks him. Councilmember Welsch states that in selling the scraper, if that came from the General Fund then that money should go back into the General Fund, not the Landfill Fund. He is just asking if it is going where it belongs. Mayor Wallace states that that goes back to the last budget cycle and was it taken out of the General Fund or was it billed to the Landfill Fund and Councilmember states he believes it was taken from the General Fund because that's part of the reason they took money out of the savings, at least that's how he remembers it. Manager Williams states they will take that into account.

Mayor Wallace asks for any other questions from council. Mayor Wallace clarifies with Mr. Forsberg that we lost \$34,000.00 on water and \$16,000.00 on sewer. Mr. Forsberg corrects the water amount to \$24,000.00. Councilmember Tate wants to make sure that is just for the month of March. She reiterates that for the month of March, we lost \$24,000.00 in water, we had that many more expenditures than we brought in. She asks again for clarification of what sewer was and Mayor Wallace and Mr. Forsberg state that it was \$15,000.00 loss just for the month of March.

Mayor Wallace verifies some notes he took, such as the \$19,180.00 to pay off the ACO truck, and the audit bill being due. Manager Williams reminds them that the Senior Center roof was on this month as well. Mayor Wallace sums up that we are running at around \$100,000.00 loss with 75% of the fiscal year done which is better than the \$500,000 to \$700,000.00 that we are used to.

Mayor Wallace once again asks if there are any other questions. He thanks Mr. Forsberg.

E.3 Discussion and/or Action [Mayor Wallace]: Town Council formal action to censure Councilmember Walter Welsch under the Town's Code of Conduct for Elected Officials for his unprofessional public statements about the Library Director, Town Manager and other Councilmembers.

Motion: Open E.3 for Discussion and/or Action Moved by Mayor Wallace, Seconded by Mayor Pro-Tem Johnson

Mayor Wallace states that if they look in their packets they can see the definition of what a censure is. He gives them a second to read it. For the identification of the public he reads: a censure is a formal action of the City Council, reprimanding one of its own members for specified conduct generally in violation of the law or of city policy where the violation of policy is considered to be a serious offence. Censure should not follow an occasional error in judgement which occurs in good faith and is unintentional. Censure carries no fine or suspension of the rights of the member as an elected official but a censure is a punitive action that serves as a punishment for wrongdoing.

Mayor Wallace asks for questions from council.

Motion: Censure Councilmember Welsch. Moved by Mayor Wallace, Seconded by Mayor Pro-Tem Johnson. Motion passed 6-0 Councilmember Welsch did not vote.

E.4 Discussion and/or Action:[Councilmember Welsch]: To review The Town Manager's actions of encouraged councilmembers to question department heads and supervisors without reminding councilmembers to follow the procedure set forth in the Code of Ethics for Elected Officials facilitating the violation of said procedure.

Motion: Open E.4 for Discussion and/or Action Moved by Mayor Wallace, Seconded by Mayor Pro-Tem Johnson

Mayor Wallace opens the floor for Councilmember Welsch.

Councilmember Welsch states that they were basically told to talk to people and that the Code of Ethics says that any discussions of that type have to be cleared through the Manager. He asks if it was cleared and states that he didn't do it because he didn't consider it clear. Legally it is permitted through law, he doesn't have a problem with that. He has a problem that it is being superseded by something in the Code of Ethics that was ignored. He further states that that was ignored in writing.

Mayor Wallace states that Manager Williams sent out an e-mail to all council members based on the Mayor's direction. He further clarifies that this is not something that Manager Williams did on his own, and that after speaking with the City Attorney and clearing it with him, he asked Manager Williams to send out an e-mail to all the council directing them that they could go ahead and talk to the Department Heads. By his acknowledgement and sending that e-mail, he is authorizing that discussion so if you send an email saying "if you want, you can go talk to them" it doesn't require them to go back and ask if you can go talk to them. So by his e-mail, out to council saying if you want to go talk to Department Heads about this particular issue you are more than welcome to do it, he gave that authorization so the council doesn't have to go back and ask again. Mayor Wallace further states that he does not see that there is any issue with the e-mail that was sent.

Councilmember Johnson states that she must be dumb because she did go to Manager Williams to ask if the e-mail meant that she could go talk to them. She asks Manager Williams to confirm this, which he does. She states that she got from the e-mail that they had the right to go talk to them.

Mayor Wallace asks if any other members of the council feel that Manager Williams violated the Code of Conduct by sending the e-mail. Negative responses are heard.

Mayor Wallace asks if Councilmember Welsch has anything to add. No response. Mayor Wallace states no action to be taken on item E.4.

No motion on item, item dies.

E.5 Discussion and/or Action:[Councilmember Trate]: First Reading of Ordinance 2019-11, AN ORDINANCE OF THE MAOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, AMENDING THE TOWN CODE TITLE 2 "ANMINISTRATION AND PERSONNEL," CHAPTER 2.35 "OFFICERS," SECTION 2.35.015 "TOWN MANAGER," TO ALLOW THE TOWN MANAGER TO SELECT HIS OR HER DESIGNEE IN THE TOWN MANAGER'S ABSENCE AND TO ALLOW THE TOWN COUNCIL TO SELECT A DESIGNEE DUE TO THE TOWN MANAGER'S INCAPACITY OR SEPARATION; AND TO REQUIRE COUNCILMEMBERS TO GO THROUGH THE TOWN MANAGER TO CONSULT WITH TOWN EMPLOYEES REGARDING TOWN BUSINESS.

Motion: Open Item E.5 for Discussion and/or Action Moved by Mayor Wallace, Seconded by Mayor Pro-Tem Johnson

Mayor Wallace states that this is just the first reading of the ordinance, they will not be voting on it. No action can really be taken on it tonight. He then hands the discussion over to Councilmember Trate.

Councilmember Trate states that she wrote this up originally because she was just concerned that in the past, to her understanding, the Town Clerk would be in charge of the City if something were to happen to the Town Manager. She states she has never been familiar with that type of setup in other government organizations she worked for so she wants there to maybe be more qualified people, not being negative against the Town Clerk, whomever that may be, but in her experience either the Finance Director or the Public Works, she believes it was in the city she worked for, who they put in charge because they had more knowledge of what was going on in the operations of the city. She also states that sometimes there were also co-managers so that it wasn't so much for one person. That is where this came from.

Mayor Wallace reiterates that they are not voting or making any actions. This is just a first reading. He asks that they take a read and if they have any questions or concerns, to please get them back to Manager Williams if there is anything that they want changed. He asks that those modifications get to Manager Williams before the next meeting so that they can be incorporated. He asks that they not wait until the next meeting to bring up their concerns or questions.

Mayor Wallace asks Manager Williams that if anyone brings forth any changes, that an updated copy be sent to the council. Manager Williams agrees.

E.6 Discussion and/or action:[Mayor Wallace]: First Reading of Ordinance 2019-12, AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, AMENDING THE TOWN CODE, TITLE 9, "PUBLIC PEACE MORALS AND WELFARE," CHAPTER 9.30 "JUNKED MOTOR VEHICLES," SECTION 9.30.010 AND SECTION 9.30.020, TO REVISE THE DEFINITION OF "INOPERABLE VEHICLE" AND PROHIBIT CERTAIN STORAGE OF INOPERABLE VEHICLES ON PRIVATE PROPERTY; AND ADDING SECTION 9.30.060 PROVIDING CIVIL AND CRIMINAL PENALTIES FOR VIOLATIONS.

Motion: Open Item E.6 for Discussion and/or Action. Moved by Mayor Wallace, Seconded by Councilmember Hirshberg

Mayor Wallace clarifies that again this is just a first reading and asks Manager Williams and Chief Thies who is going to speak about this. Manager Williams states that he will go first and then the Chief will speak.

Manager Williams states that these updates for junk cars ordinance, inoperable cars ordinance have two major changes, the first of which is that in the current town code for a car to be considered junk or not junk it has to have current registration. They added that now for it to not be considered junk it has to have current registration and insurance. He states that a lot of cities do this, it is very common for them to require that they carry both current registration and insurance if the vehicle is on your property. The other half is to make it fees versus a crime, and he states that Chief Thies can explain that better than he can. He further states that currently it is a crime in code now, which he has Chief Thies confirm. He says they made this so that now for the first and second citation it would be a civil fee and the third time would be a crime. He asks that Chief Thies explain that more.

Chief Thies explains that in an effort to streamline the city code, where everything was a platform misdemeanor punishable by arrests, fines, probation and other things, they are switching it to where most of them will be civil, it will be a \$50.00 fine for the first offence, for the second time, same offence is \$100.00 fine. If by chance you get to a third offence, someone who really doesn't care, then they will get arrested. This gives the citizens an opportunity at the lowest possible punitive law enforcement. A member of the public attempts to ask a question and Mayor Wallace informs them that they can't have that interaction. He apologizes.

Manager Williams makes a correction to what Chief Thies has said, wherein the first offence would actually be a fine of \$150.00 and the second offence would be a fine of \$300.00. Chief Thies says that the reason that that one is higher is that it should serve as a deterrent. He states that when you look back at the last few decades, and ask how did we get that way, we are not going to get that way again. What we are going to do is remind people that if you don't care there are consequences. We can't go back to where we have been. It is time to move forward, it's a deterrent.

Mayor Pro-Tem asks if that means that all of those vehicles sitting in peoples yards and on the street and in the back yard and all that better be licensed and insured. Chief Thies confirms this. Chief Thies states that some are not going to agree with it and that's ok, he supports this change.

Manager Williams states that they did have multiple departments look over this to make sure it would involve all three of them.

Councilmember Banks wishes to let the public know that there are papers that can be filled out if they wish to speak and they will be allowed to speak during the call to the public. Mayor Wallace corrects her to state that this is just done before the beginning of the meeting, and cannot be done during. He also states that he was going to ask Chief Thies to get the gentleman's question so they can get him an answer.

Councilmember Trate asks what the time frame is regarding how much time between when the first citation is given and when the second is given and then again how long until the third. Chief Thies states that that is a good question and that when he issues a citation for a civil you get a court date, civil means you don't have to go to court, but it is an option and a right. That's about 30 days. So you have 30 days to correct the violation. If after 30 days you haven't and you move on to a hearing, you can receive on the 31st day or after that court date, the second civil violation. He again states that this is a deterrent, it should impact. A reasonable person will move their vehicles. If they can't then we can help find the resources, but we have to start cleaning up the town as a whole and not just small pockets. You can see it's happening every day, we need to take that next step and make sure that a year from now, the opportunity to get back to where we were will not exist. It is not punishment, he cannot stress that enough. We are going to change their minds as a community, the citizens and to move forward. If it can't be on the roadway, find a better place for it. That's what we're trying to do.

Mayor Wallace states that he doesn't know how this will work, that previously it had been talked about regarding people who have a vehicle in their yard that they are working on for an extended period of time, as far as the insurance and registration if someone is working on a car in their driveway, they might not have it registered and insured. He just wants to make sure that we have something that will allow people to work on their cars in situations like that. Mayor Wallace states that he will dig into it and work on that. Chief Thies states that there is the reasonableness of the law. For instance if the vehicle has been sitting there untouched for five years and all of a sudden when an officer shows up you want to work on it, it's too late. If it's been there a week and you need a little money and a little time, that's different.

Mayor Wallace asks Chief Thies if the gentleman in the audience had a call to the public, and Chief Thies states that he did. Mayor Wallace calls the man forward and asks him to provide his name and address. The gentleman identifies himself as Steve Folstitch of 307 Dragoon. He states that he has been here for about three months, came from Tucson. He states that he hates Tucson, he likes small towns. He says that the town seems pretty fair to him. He says he got the new water and sewer bill which bothers him a little bit, but what he noticed is that there are a lot of retirees in this town and he sees a lot of people on fixed incomes too and he is just highlighting what Mr. Dale Peet said. Mayor Wallace interrupts stating that he thought that the call to the public was going to be about the vehicles, and Mr. Folstitch says that he's going to get to that too. Mayor Wallace allows him to continue. Mr.

Folstitch states that he restores cars, not as a business but as a hobby. He states that he does not have a lot of cars, and he currently has one that he is restoring and he doesn't believe in putting it in his driveway and putting all the parts out for everyone to see. He can understand that and he puts it in the backyard and works on it whenever he can, continuously to get it going and running and going down the road and registered and insured and all that, and then starting another project. It is a hobby. He says he sees a ton of junk cars, trucks, busses, fire trucks. It's horrible and they have been sitting here for what he would say is decades. He says he doesn't know why they are still there, he doesn't understand that but, as the officer just explained, if it's being worked on ok, but if it's been there for decades what are you going to do? He says that he has noticed, as Mr. Peet described, officers driving by and it's a great deterrent for crimes. That is all he wants to say.

Mayor Pro-Tem Johnson thanks him.

Mayor Wallace reiterates that this is the first reading, asks for questions or comments from council.

Councilmember asks how that relates to other towns, if they have similar codes. Manager Williams states that the insurance clause was based on Cottonwood's. Also, if the vehicle is in your garage or somewhere that it can't be seen then there would not be a problem, and also, there has to be a complaint about the car, they won't just be going around picking out cars. There has to be someone to complain. Councilmember just wants to make sure it is being based off something that has been established, which she was sure it had been but she figured for the record it should be clear.

Mayor Wallace states that the biggest thing for him is that he wants to make sure that, as Councilmember Welsch brought up a few years ago, that a lot of times people will have something they are working on and when they are working on it they are not going to carry registration or insurance because they are working on it. It might not have a bumper or a rear panel on it to put a license plate. He just wants to look at it and make sure there is a clause in there that allows people to maintain their hobby. Chief Thies states that there is codes that apply to that, open storage, it allows for people to fence it off so you can't see it, put it in a garage, there is applications for it. Leaving it in the front yard, disassembled for two to three years is pushing the boundaries. Mayor Wallace agrees with that statement.

Mayor Wallace asks for any other questions from council.

E.7 Discussion and/or Action [Manager Williams]: Council approval of Phase One Environmental Inspection Expense for Dusk till Dawn Property.

Motion: Open item E.7 for Discussion and/or action Moved by Mayor Wallace, Seconded by Councilmember Hirshberg

Mayor Wallace opens the floor for Manager Williams. Manager Williams reminds the council about a recent discussion on the acquisition of the Dusk till Dawn Property. One of the things that must be done before that happens is a Phase One Environments Inspection for the property. This is something you do when purchasing commercial property. You have a Phase One done so you know what you are purchasing. There was a question about this property because apparently there was a gas station there back in the 1950's. This Phase One study will assess the property and make sure there are no fuel tanks still in the ground, no environmental concerns we need to be aware of. Doc did obtain 3 quotes for Manager Williams. The first quote is from Enviro Assessment and it is for \$2,200.00. The second quote is from Harris Environmental and is for \$2,799.00. The third is from EEC Engineering and Environmental Control for \$2,962.00. He recommends the first company at \$2,200.00. Manager Williams asks Doc to come up and tell the council what all a Phase One entails.

Doc states that there are three phases that you can do due diligence on when you buy a piece of property. A Phase One starts the process off with an environmental research firm who will come and inspect the property inside and out. They will do the back research and find if there was an old gas station there and if so they would check to make sure the tanks had been properly removed. They check the title of the property and research that to make sure there are no environmental liens, if they find anything suspicious in the interior or exterior of the property they will state in their report that it needs to be taken to a Phase Two which would be testing, taking samples and running tests on those. It is a standard process in the purchase of commercial property and is becoming extremely popular in residential. It is something you always do on your due diligence when purchasing a piece of property that is commercial. Doc and Manager Williams discuss a 4th bid, which Manager Williams states was not included because it was not in yet when he did the packets. Doc states that the bid was for \$150.00 more than the lowest bid which made it \$2,350.00. Lowest bid is Enviro Assessments, based out of Idaho with operations in Arizona. He states where each of the companies that provided quotes operates. He also lists the bidders in order from least to greatest.

Mayor Pro-Tem states that when this was all going on she was not under the impression that we would have to pay for additional stuff. So now she is thinking twice because now we have to pay for more stuff and are we going to have to pay for even more stuff before this is over with.

Mayor Wallace states that this was something that was discussed as something that would need to be done and other Councilmembers confirm this. Mayor Wallace states that this isn't new, and again other Councilmembers agree. Mayor Pro-Tem Johnson says ok. She states that she wasn't aware that this would be happening and Mayor Wallace again says that this is not a new development. Mayor Wallace asks for any other questions.

Councilmember Welsch asks if all the companies are recognized by ADEQ, Doc states that he knows that EEC is and Terracom is but he did not ask each of them individually. He offers to ask if the council would like. Councilmember Welsch states it would be kind of dumb of them to use a company that doesn't have a certification. Mayor Wallace agrees. City Attorney Benavidez asks Doc if they need to be certified since they are just doing research and Doc states that they are all not just environmental researchers but environmental scientists. Doc states that he can not say for sure that they are all qualified by ADEQ but if Councilmember Welsch would like he can contact them and get that information. Councilmember Welsch believes it would be appropriate considering everything else that has been happening with that property to this point we shouldn't take anything for granted. Doc will contact them at the first part of the week.

Councilmember thinks that if they are going to make a motion, it should be that they go with the lowest bidder pending verification of their ADEQ certification. Mayor Wallace states that they can make a motion to proceed pending the ADEQ verification. Mayor Wallace states he had a question, he noticed that Enviro Assessments were the only ones who provided a breakdown by the hour and he wants to know the chance of getting hit with additional fees and it costing more than \$2,200.00. Doc states that if you look through the contracts you will see that each one of them do have additional fees, the bid is based on Phase One and the items included into that. If we decide that we want additional services they will cost more. If something minor is found and a Phase Two is not necessarily need they can do a little more research. Mayor Wallace just wanted to clarify that. He also asks to clarify that TerraCon was the name of the 4th bidder. Doc states that TerraCon is one of the nation's largest geotechnical environmental engineering firms. They have offices in all 50 states. They specialize in material testing and roadwork and concrete testing. They have their own lab. EEC's office in Tucson specializes in environmental work, that's all they do. Doc states that normally what is done is they go with the lowest bidder and if something happens, they bump to the next lowest.

Mayor Wallace asks for any other questions from council.

Motion: Approve Phase One Environmental Inspection on the Dusk till Dawn property using the lowest bidder Enviro Assessments followed by the next lowest bidder TerraCon depending on ADEQ certification **Moved by Mayor Wallace Seconded by Councilmember Hirshberg Motion passed 7-0**

E.8 Discussion and/or Action [Mayor Wallace]: First Reading of Ordinance 2019-13, AN ORDINANCE OF THE MAYOR AND THE COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA, AMENDING THE TOWN CODE, TITLE 1 "VEHICLES, TRAFFIC AND PARKS," CHAPTER 10.20 "ABANDONED VEHICLES," SECTIONS 10.20.030 AND 10.20.090, TO REMOVE THE FEE AMOUNTS FROM THE TOWN CODE AND TO ALLOW THE TOWN COUNCIL TO ESTABLISH AND AMEND A FEE SCHEDULE BY RESOLUTION.

Motion: Open item E.8 for Discussion and/or Action **Moved by Mayor Wallace Seconded by Councilmember Hirshberg**

Mayor Wallace requests that Manager Williams or Chief Thies explain this. Chief Thies states that he was asked at a staff meeting to look into possible funding opportunities and by reviewing the town code, he observed that the daily impound fee, by state is \$15.00 a day, by Town Code it is \$35.00 a day. This will resolve it. Though we have not been charging \$35.00 a day, we need City Code to reflect state law, as well as the \$150.00 administrative fee which is accurate in the Town Code. This changes Town Code to reflect that whatever the state says we can charge, that is what the fee is. This makes it so that we don't have to keep going back and updating and changing the fees every time the state does. Mayor Wallace sums it up as when the Chief was going through Town Code, he discovered it says the storage fee on impounds is \$35.00 and by law we can only charge \$15.00 so this fixes that. Manager Williams clarifies that Item E.8 is the ordinance that Chief Thies just explained, which will become law on June 9th, 2019 if passed by council. This makes it so it takes the fees out of code and refers to ARS. It will be a month before it goes into law. E.9 is a resolution that will be effective as soon as it is adopted by council, it adopts the fee schedule, however it includes the fees the state charges and the one already in our code and because they are not going up, it doesn't trigger the 60 day process. He just wanted to explain why they were adopting an ordinance that doesn't go into effect for a month but a resolution that goes into effect tonight if adopted. Mayor Wallace asks for any other questions from council and reiterates that tonight is first reading.

E.9 Discussion and/or Action [Mayor Wallace]: Council approval of Resolution 2019-15, A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, ESTABLISHING A SCHEDULE OF FEES FOR IMPOUNDED AND STORED VEHICLES.

Motion: Open item E.9 for Discussion and/or Action **Moved by Mayor Wallace, Seconded by Councilmember Hirshberg.**

Motion: Approve Resolution 2019-15 **Moved by Mayor Wallace, Seconded by Councilmember Hirshberg. Motion passed 7-0**

Mayor Wallace recognizes a request for a break from Councilmember Welsch.

Motion: Take a 10 minute break **Motioned by Mayor Wallace, Seconded by Councilmember Hirshberg Motion passed 7-0**

Break began 7:56pm.

Break ended 8:07pm.

E.10 Discussion and/or Action [Director Harvey] Council Decision Request to establish a funding program to raise funds to provide the summer 2019 Summer Splash Program.

Motion: Open item E.10 for Discussion and/or Action **Moved by Mayor Wallace, Seconded by Councilmember Butterworth**

Mayor Wallace turns the floor over to Director Harvey. Director Harvey explained the financial difficulties of funding the summer splash program. Possible funding options. The fee is \$70 for in district, \$110 for out of district. Summer Splash 18' was financed by the 4H program, 4H funding is unavailable this year. Funding options included employees from workforce development, GoFundMe, business donations/sponsorships. Director Harvey feels that roughly \$3500 will be raised as revenue from admissions.

Director Harvey requested Council permission to prepare a donation letter for local businesses.

The Town Attorney advised us we can't lend the Town name to a company for a business, however a business can sponsor a Town event, league, or program. Councilmember Hirshberg asked if Lions Club could sponsor the event.

Councilmember Welsch discussed the importance of separation on business sponsorships. Mayor Wallace asked about financial carryover from budget year to the next.

Motion: Approval for staff to prepare a donation letter and use GoFundMe to raise funds for Summer Splash 2019. **Moved by Mayor Wallace, Seconded by Councilmember Hirshberg.**

Mayor Wallace, Councilmember Hirshberg, Councilmember Banks and Mayor Pro-Tem Johnson asked if there July stipend could be donated towards Summer Splash expenses.

E.11 Discussion and/or Action [Mayor Wallace]: Council staff direction to streamline the Town Clerk interview/hire process.

Motion to open Item E.11 for discussion. Moved by Mayor Wallace, Seconded by Mayor Pro-Tem Johnson.

Mayor Wallace requested staff establish an interview panel of department heads to streamline the interview process for clerk. Councilmember Welsch asked if the Town Manager could also serve as Town Clerk as he has been here for over a year. The Town Attorney also advised the Town must legally have a Town Clerk. The Mayor said no respect to Mr. Williams, but he feels that he can't handle both jobs (Manager and Clerk).

Motion to direct staff to streamline candidate process. Moved by Mayor Wallace, Seconded by Councilmember Butterworth. Opposed by Councilmember Welsch.

E.12 Discussion and/or Action [Manager Williams]: Council decision to allow the sale of the 2018 Chevrolet Silverado VIN# 1GC2CUEG6JZ154545 for \$26,000. This decision will revise a previous Council decision from October 11, 2018 which approved the sale of said vehicle for \$28,085.50.

Motion to open item E.12 for discussion. Moved by Mayor Wallace, Seconded by Councilmember Hirshberg.

The Town Manager explained how the truck has since been paid off, and that the payoff amount included the dog body for the truck, which by itself was \$10,000. The Town will be keeping the dog body, and the Town Manager requested reserve sell price be reduced to \$26,000.

Motion to approve the sale of 2018 Chevrolet Silverado for \$26,000. **Moved by Mayor Wallace, Seconded by Councilmember Butterworth.**

F. Town Manager Report

The Town Manager reviewed the Manager report that was included in the Council packet. The Town Manager also said the Town would no longer have \$45,500 in annual financing/insurance by completing the sale of the 2018 KME truck to Whetstone Fire. Councilmember Banks discussed Sentinel Landscapes and SVMPO.

G. Reports of Current Events by Council

H. Items to be placed on future agendas

Chief Thies asked for an agenda item for a final decision the animal shelter.

I. Adjournment

Motion to adjourn. **Moved by Mayor Wallace. Seconded by Councilmember Hirshberg. 7-0 vote.**

Approved by Mayor Wallace on May 09, 2019

Johann Wallace, Mayor

Attest: _____

Matthew Williams, Interim Town Clerk

Seal:

Certification

I hereby certify that the foregoing is a true and correct copy of the Minutes of the Meeting for the Huachuca City Town Council held on April 25, 2019. I further certify that the meeting was duly called and a quorum was present.

Matthew Williams, Interim Town Clerk



**MINUTES OF THE
HUACHUCA CITY TOWN COUNCIL
WORK SESSION
HELD ON THURSDAY, MAY 02, 2019 AT 6:00PM
HUACHUCA CITY TOWN HALL-500 N. GONZALES BLVD. HUACHUCA CITY,
AZ 85616**

AGENDA

A. Call to Order

Mayor

The meeting was called to order at 6:00pm by Mayor Wallace. The pledge of allegiance was led by Mayor Wallace.

Roll Call.

Present: Johann Wallace, Donna Johnson, Joy Banks, Cynthia Butterworth, Christy Hirshberg, Walt Welsch, Matthew Williams (Not voting) Suzanne Harvey (Not voting), Jim Halterman (Not voting), Jim Thies (Not voting), Gerri Sullivan (Not voting), Joe Glowacki (Not voting), Margaret Saenz (Not voting), Ha Vu (Not voting).

Councilmember Banks arrived at 6:10pm, Councilmember Welsch arrived at 6:26pm.

B. Business before the Council

Mayor

- B.1 Discussion Only [Mayor Wallace]:** Budget for Fiscal Year 2019-2020 – Discussion will include budgets for Council, Court, Fire, Admin, Bus Line, Police, Animal Control, IT, Building Official, Public Works, Pool, Summer Splash, Parks & Rec, Library, Senior Center, Grants, Insurance, Water, Sewer, Landfill, Garbage, HURF, and Town Revenues. Due to possible time constraints, it is possible that one or more of these items may be postponed until a later work session to be scheduled in advance.

Motion to open item B.1 for discussion. Moved by Mayor Wallace. Seconded by Councilmember Hirshberg.

The Mayor discussed the importance of how this is the first time the Town has had a balanced budget in years. The Town Manager began the discussion with the Town revenues. The large differences on the revenue were reductions in county shelter revenue and police fines. Building permits, surplus auctions, and landfill lease payment were up. The largest change in the Town revenues sheet was the increase in the landfill lease payment made possible by lower landfill operation costs.

Councilmember Joy Banks arrived at 6:10pm.

Since 2010 the Town has spent over \$7 million from savings in overspending. Sewer Fund, Water Fund, Landfill Fund and Garbage Fund will all now have savings accounts and be transferring money during FY 19-20 to savings account per utility.

The Town Manager presented the court budget. There was some discussion to divide the court clerk costs 70% admin, 30% court costs. The court clerk is now spending more time on admin then court duties. The Town is expecting a 10% on healthcare insurance costs. Town staff is also planning for a 1% increase on full time staff. Court budget increased 6% mainly due to utilities and court appointed attorney costs. The difference between Court Trust fund and Court were explained.

Councilmember Welsch arrived at 6:26pm.

The Town Manager explained the Court Trust Fund as a pass-thru and gave a brief review of the Town revenues sheet. Possible costs for re-opening the grant including renovation and county shelter payment will be included on the grant side; should the funding become available.

Public Works costs will now be divided 45% water, 45% sewer, 10% public works general fund. Public Works general fund is a new budget/departement for FY 19-20. The finance clerk will be paid 75% landfill, 25% admin. Councilmember Welsch asked about the Town being reimbursed by ADOT for the Town cutting grass in ADOT right of way.

The Town Manager discussed the 5% decrease on the building regulation budget. This was mainly due to the reduction in abatement funds in the Town budget due to the fact that \$0 was spent on abatement on FY 18-19. Also Dr. Johnson's office staff is paying for all correspondence for the town for building issues.

The fire budget was reduced due to the sale of the Wildland truck, and the completion of payments on the 2014 F550 and F350 in FY 18-19. Town Council expressed an interest in obtaining quotes for separate electrical meters for the police/fire departments.

Council budget changed due to Councilmembers volunteering to not take their monthly stipends. Attorney fees will now all be paid out of the Council budget. Parks & Rec budget changed as event costs were reduced and 4th of July event costs will now be paid out of Parks & Rec vs Town Council budget. There was some discussion about the location of the Town Christmas tree.

Garbage will now be paying \$19,350 annually to the Town general fund for administrative tasks of billing and management. This amount is paid by the administrative fee. Council requested savings/interest on garbage be shown on a separate budget sheet.

Public Works general fund is a new budget for FY 19-20. This will include things like grass, building maintenance, etc.

Water revenues will now be increasing due to the new water rates. Water will not have transfers in from savings. Water expenditures will be 45% of Public Works costs.

Sewer revenues will now be increasing due to the new sewer rates. Sewer will not have transfer in from savings. Sewer savings will be 45% of Public Works costs. Sewer budget includes \$25,000 on loan payments for the sewer pond project.

Town grants were discussed including Stone garden. The question was raised on PSRS on Stone garden. The Town Manager explained that Stone garden pays retirement benefits for when the employee is working, but not for future expenses due to inflation or COLA's.

Animal shelter budget was reduced due to no county animals, and the IGA with Sierra Vista. Chief Theis explained how he would like a definitive answer on county on shelter renovation funding. Gerri Sullivan discussed the need for rabies shots for ACO's. The question of grant funded out of state travel training was also discussed.

Chief Theis explained the police budget including the upcoming retirement of Lieutenant Glowacki and the hiring of a new officer. The need for new police cars and USDA grant funding was also discussed. The question of telephone service costs was raised.

Council paused the meeting at 8:00pm. Meeting resumed at 8:10pm.

Director Harvey discussed the library budget. These changes including the \$12 minimum wage effective 1/1/20. It was requested that e-rate consultant be moved under contract labor. Also the question of color copies was raised, including the Town newsletter. Councilmember Welsch asked Director Harvey while the Library personnel costs were not being reduced with one day of the library being closed. The Town Manager added that he calculated the salary/benefits costs based from current actual expenditures. Director Harvey also offered to decline her 1% raise if needed.

The Town Manager discussed the landfill revenues/expenditures. Councilmember Welsch asked if the Town landfill should pay the general fund back for the scraper repair in FY 17-18. The Finance Clerk looked up this account in Casselle, and it showed the expense to Empire was paid from the landfill budget not the General Fund. Landfill expenditures were reduced from \$369k to \$211k based on employees being paid from the correct departments. The Town landfill property lease was increased. The Town Manager explained the landfill trust fund, and the need to close landfill cells while opening new landfill cells to prevent payments to the landfill trust fund.

The Town Manager presented the Admin budget. The main difference was personnel costs which now includes the Town Manager, Town Clerk, and 25% of finance clerk. The Mayor discussed advertising on social media vs newspaper ad costs. Insurance costs increased due to most insurance is now paid out of admin. Vehicle insurance is paid by the departments the vehicles belong to.

The Mayor covered the IT budget including emails and cell phones. The Sentinel contract is also included in the IT budget.

In closing the Town Manager reviewed the budget timeline. The tentative budget will be on May 09; final budget will be on June 13. The Town is on target to have a balanced budget for FY 19-20.

D. Adjournment

Motion: Adjourn meeting, **Action:** Adjourn, **Moved by** Mayor Wallace, **Seconded by** Councilmember Butterworth. Motion passed unanimously.

Meeting adjourned at 9:34 pm.

Approved by Mayor Wallace on May 09, 2019.

Johann Wallace, Mayor

Attest: _____
Matthew Williams, Interim Town Clerk

Seal:

Certification

I hereby certify that the foregoing is a true and correct copy of the Minutes of the Work Session for the Huachuca City Town Council held on May 02, 2019. I further certify that the meeting was duly called and a quorum was present.

Matthew Williams, Interim Town Clerk

Report Criteria:

Detail report.

Invoices with totals above \$0 included.

Paid and unpaid invoices included.

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
1022250							
CopperPoint Mutual Insurance	1012250011	Workmans Comp	05/01/2019	1,723.00	.00		
Total 1022250:				1,723.00	.00		
1022500							
Cigna Healthcare (FACETS Plans	EFT04222019	Employee Health Insurance	04/22/2019	11,521.06	11,521.06	04/23/2019	
Total 1022500:				11,521.06	11,521.06		
1022510							
Principal Life Insurance Co	10001/0417201	employee benefit	04/17/2019	643.58	643.58	04/24/2019	
Sun Life Financial	900791/041520	employee dental	04/15/2019	10.27	10.27	04/24/2019	
Sun Life Financial	900791/041520	administrative fee	04/15/2019	10.00	10.00	04/24/2019	
Total 1022510:				663.83	663.83		
1022520							
AFLAC	489229	Payroll Deduction	04/25/2019	550.05	.00		
Total 1022520:				550.05	.00		
1022540							
Vision Service Plan	04182019	Vision Ins./30 049730 0001	04/18/2019	128.96	128.96	04/24/2019	
Total 1022540:				128.96	128.96		
1022700							
LegalShield	0104832/04202	employee benefit	04/20/2019	15.95	15.95	04/24/2019	
Total 1022700:				15.95	15.95		
1043340							
Southwest Gas Corporation	05022019	Utility Service-Gas	05/02/2019	84.86	.00		
Total 1043340:				84.86	.00		
1043360							
AZ Department of Corrections	D08106201904	Inmate Labor	04/30/2019	10.43	.00		
AZ Department of Corrections	D08107201903	Inmate Transportation Cost	04/18/2019	3.54	3.54	04/24/2019	
AZ Department of Corrections	D08156201904	Inmate Labor	04/30/2019	4.00	.00		
Total 1043360:				17.97	3.54		
1043440							
Purchase Power	1630/04172019	Postage	04/17/2019	756.75	756.75	05/01/2019	
Total 1043440:				756.75	756.75		
1043475							
Fleet Services	58789193	fuel expense	04/15/2019	26.94	26.94	04/24/2019	

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
Total 1043476:				26.94	26.94		
1043480							
Clark Information Systems	122965	Internet Service	04/26/2019	89.95	89.95	05/01/2019	
Caselle, Inc	94669	Contract Support	06/01/2019	712.00	.00		
Total 1043480:				801.95	89.95		
1043500							
Truly Nolen Exterminating, Inc	250133193	Pest Control	04/25/2019	44.00	.00		
Truly Nolen Exterminating, Inc	250134262	Pest Control	05/02/2019	44.00	.00		
Total 1043500:				88.00	.00		
1043840							
ACMA	07012019	Membership	04/26/2019	200.00	200.00	04/25/2019	
ICMA Membership Renewals	903793/042520	ICMA Membership Renewal	04/26/2019	200.00	200.00	04/25/2019	
Total 1043840:				400.00	400.00		
1045250							
Aaron Parr	04302019	Alternate Magistrate Reimburse	05/31/2019	120.00	.00		
Total 1045250:				120.00	.00		
1048840							
Hewlett-Packard Financial Service	800598474	Computer	04/20/2019	683.75	.00		
Total 1048840:				683.75	.00		
1051290							
Wist Office Products	1878195	Gloves, Hanging Folders, Chair M	04/26/2019	187.71	.00		
Wist Office Products	1878657	Gloves, Hanging Folders, Chair M	04/29/2019	32.32	.00		
Wist Office Products	1879312	Gloves, Hanging Folders, Chair M	04/30/2019	15.70	.00		
Total 1051290:				245.73	.00		
1051295							
Unicom Grafix, Inc	145678	Citations	05/03/2019	1,190.63	.00		
Total 1051295:				1,190.63	.00		
1051340							
Southwest Gas Corporation	05022019	Utility Service-Gas	05/02/2019	199.73	.00		
Total 1051340:				199.73	.00		
1051380							
AZ Department of Corrections	D08106201904	Inmate Labor	04/30/2019	10.43	.00		
AZ Department of Corrections	D08107201903	Inmate Transportation Cost	04/18/2019	3.54	3.54	04/24/2019	
Total 1051380:				13.97	3.54		
1051385							
Shred-It USA	8127046380	Shredding Service	04/15/2019	98.84	98.84	04/24/2019	

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
Total 1051385:				98.84	98.84		
1051470							
Garden Canyon Towing, LLC	33728	HC2's Charger From Hwy 90 To G	04/19/2019	100.00	.00		
Total 1051470:				100.00	.00		
1051475							
Fleet Services	58789193	fuel expense	04/15/2019	1,063.40	1,063.40	04/24/2019	
Total 1051475:				1,063.40	1,063.40		
1051620							
Empire Southwest, LLC	EPCT0001317	Generator-2 Year Agreement	04/19/2019	225.38	.00		
Total 1051620:				225.38	.00		
1052450							
Ace Hardware	164139/1	Hose, Work Gloves, Rake, Wheel	05/02/2019	213.83	.00		
Total 1052450:				213.83	.00		
1052475							
Fleet Services	58789193	fuel expense	04/15/2019	38.33	38.33	04/24/2019	
Total 1052475:				38.33	38.33		
1052480							
RossRush Services, LLC	5398	Animal Shelter Pro Software Tech	04/27/2019	495.00	.00		
TransWorld Network, Corp	14592098-061	Internet Services	04/25/2019	28.86	28.86	04/25/2019	
Total 1052480:				523.86	28.86		
1053340							
Southwest Gas Corporation	05022019	Utility Service-Gas	05/02/2019	199.74	.00		
Total 1053340:				199.74	.00		
1053450							
Empire Southwest, LLC	EPCT0001317	Generator-2 Year Agreement	04/19/2019	225.37	.00		
Total 1053450:				225.37	.00		
1054360							
SW Building Inspection Service	9493	Contract Services	04/30/2019	3,950.00	.00		
Total 1054360:				3,950.00	.00		
1057380							
AZ Department of Corrections	D08108201904	Inmate Labor	04/30/2019	41.72	.00		
AZ Department of Corrections	D08107201903	Inmate Transportation Cost	04/18/2019	14.16	14.16	04/24/2019	
AZ Department of Corrections	D08159201904	Inmate Labor	04/30/2019	8.00	.00		
Total 1057380:				63.88	14.16		

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
1057460							
Fleet Services	58789193	fuel expense	04/16/2019	67.31	67.31	04/24/2019	
Total 1057460:				67.31	67.31		
1060704							
Fireworks Productions of AZ	9120BD	Fireworks	04/23/2019	2,600.00	.00		
Total 1060704:				2,600.00	.00		
1062290							
Wist Office Products	1877603	Paper, Liners, Ink Pens, Shipping	04/25/2019	155.66	.00		
Total 1062290:				155.66	.00		
1062340							
Southwest Gas Corporation	05022019	Utility Service-Gas	05/02/2019	75.78	.00		
Total 1062340:				75.78	.00		
1062386							
AZ Department of Corrections	D08106201904	Inmate Labor	04/30/2019	20.86	.00		
AZ Department of Corrections	D08107201903	Inmate Transportation Cost	04/18/2019	7.08	7.08	04/24/2019	
AZ Department of Corrections	D08161201904	Inmate Labor	04/30/2019	4.00	.00		
Total 1062386:				31.94	7.08		
1062476							
Fleet Services	58789193	fuel expense	04/16/2019	18.89	18.89	04/24/2019	
Total 1062476:				18.89	18.89		
1062481							
Clark Information Systems	122964	Internet Service	04/28/2019	94.95	94.95	05/01/2019	
Total 1062481:				94.95	94.95		
1062705							
Copygraphix	24661550	Copy Machine Lease/Library	04/22/2019	609.63	609.63	05/01/2019	
Total 1062705:				609.63	609.63		
1068340							
Southwest Gas Corporation	05022019	Utility Service-Gas	05/02/2019	43.12	.00		
Total 1068340:				43.12	.00		
1068500							
PPG Architectural Finishes	972602063662	Paints and Supplies	05/06/2019	554.44	.00		
Total 1068500:				554.44	.00		
5140110							
Cintas Corporation No. 445	4020849221	Uniform and Rentals/Public Works	04/24/2019	93.08	93.08	04/25/2019	
Cintas Corporation No. 445	4021188263	Uniform and Rentals/Public Works	05/01/2019	93.77	.00		

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
Total 5140110:				186.85	93.08		
5140360							
AZ Department of Corrections	D08106201904	Inmate Labor	04/30/2019	41.72	.00		
AZ Department of Corrections	D08107201903	Inmate Transportation Cost	04/18/2019	14.16	14.16	04/24/2019	
Apache Real Estate Investments	4-2019	Contract Service-Water Site Inspe	05/01/2019	500.00	.00		
Total 5140360:				555.88	14.16		
5140440							
Purchase Power	1630/04172019	Postage	04/17/2019	756.75	756.75	05/01/2019	
Total 5140440:				756.75	756.75		
5140460							
Ace Hardware	163905/1	Various Brass	04/23/2019	79.73	79.73	04/24/2019	
Ferguson Enterprises #1001	7284404	Parts To Repair Sight Tubes	04/19/2019	41.05	41.05	04/24/2019	
Hach Company	11433739	Chlorine Test & Sample Cell	04/19/2019	124.58	.00		
Dana Kepner Company, Inc	8160721-00	Upgrade Meter	04/24/2019	327.39	327.39	04/25/2019	
Dana Kepner Company, Inc	8161171-00	Residents Water Meters	04/24/2019	673.92	673.92	04/25/2019	
Mac's Towing LLC	5037	Tow PW2	04/23/2019	60.00	60.00	04/25/2019	
Total 5140460:				1,308.67	1,182.09		
5140470							
Gardner's Garage	03P770	PW4 Fuel System	04/24/2019	287.70	287.70	04/24/2019	
Total 5140470:				287.70	287.70		
5140475							
Fleet Services	58789193	fuel expense	04/15/2019	354.28	354.28	04/24/2019	
Senergy Petroleum LLC	533193	Diesel #2	04/24/2019	144.88	.00		
Senergy Petroleum LLC	534988	Diesel #2	05/02/2019	232.45	.00		
Senergy Petroleum LLC	534988	Diesel #2	05/02/2019	232.45	.00		
Total 5140475:				963.86	354.28		
5140510							
Turner Laboratories, Inc	19D0260	Drinking Water Test	04/15/2019	80.00	80.00	04/25/2019	
Turner Laboratories, Inc	19D0393	Drinking Water Test	04/15/2019	80.00	80.00	04/25/2019	
Total 5140510:				140.00	140.00		
5140610							
Empire Southwest, LLC	EPCT0001317	Generator-2 Year Agreement	04/19/2019	673.50	.00		
Ferguson Enterprises #1001	7280359	Parts To Repair Wells	04/26/2019	47.06	.00		
Total 5140610:				720.56	.00		
5240360							
AZ Department of Corrections	D08106201904	Inmate Labor	04/30/2019	41.72	.00		
AZ Department of Corrections	D08107201903	Inmate Transportation Cost	04/18/2019	14.16	14.16	04/24/2019	
Valenzuela, Jr. Carlos S.	195640	Contract Labor	05/02/2019	400.00	.00		
Total 5240360:				455.88	14.16		

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
5240440							
The UPS Store #516	6829	Copy Prints/Mail To ADEQ	04/09/2019	20.26	.00		
Total 5240440:				20.26	.00		
5240475							
Fleet Services	58789193	fuel expense	04/15/2019	125.34	125.34	04/24/2019	
Senergy Petroleum LLC	533193	Diesel #2	04/24/2019	144.68	.00		
Total 5240475:				270.02	125.34		
5240702							
AlphaGraphics	83219	Blue Prints ADEQ	04/09/2019	28.26	28.26	05/01/2019	
Total 5240702:				28.26	28.26		
5540110							
Cintas Corporation No. 445	4020849221	Uniform and Rentals/Landfill	04/24/2019	62.01	62.01	04/25/2019	
Cintas Corporation No. 445	4021186283	Uniform and Rentals/Landfill	05/01/2019	72.19	.00		
Total 5540110:				134.20	62.01		
5540285							
BOKF NA	5110878	822029013/Trustee Fee	04/23/2019	1,500.00	.00		
Total 5540285:				1,500.00	.00		
5540360							
AZ Department of Corrections	D08106201904	Inmate Labor	04/30/2019	125.12	.00		
AZ Department of Corrections	D08107201903	Inmate Transportation Cost	04/18/2019	42.45	42.45	04/24/2019	
AZ Department of Corrections	D08180201904	Inmate Labor	04/30/2019	12.00	.00		
Lal Enterprises, Inc	27184	spetic clean out scalehouse	04/30/2019	57.75	.00		
McCoy's Septic Pumping Service	4087	Clean Landfill Septic Tank	03/29/2019	190.00	190.00	04/25/2019	
McCoy's Septic Pumping Service	4119	Clean Landfill Septic Tank	04/25/2019	190.00	.00		
Total 5540360:				617.32	232.45		
5540460							
Ace Hardware	163904/1	Steel Pipe Cut Treads	04/23/2019	27.60	.00		
Merle's Automotive Supply	16-281733	Filters	04/18/2019	39.05	39.05	04/25/2019	
AlphaGraphics	83235	Scale House Sheets	04/22/2019	1,722.84	1,722.84	04/25/2019	
Sparkletts	117434480425	Water	04/25/2019	86.21	.00		
Wist Office Products	1876029	Supplies & Toner	04/22/2019	178.70	.00		
Wist Office Products	1877998	Supplies & Toner	04/26/2019	18.18	.00		
Wist Office Products	1879088	Supplies & Toner	04/30/2019	15.12	.00		
Waste Management of AZ	0886114-0567-	Relocate	05/01/2019	1,638.00	.00		
Total 5540460:				3,723.66	1,761.89		
5540475							
Senergy Petroleum LLC	533193	Red Dyed Diesel #2	04/24/2019	706.02	.00		
Senergy Petroleum LLC	534988	Red Dyed Diesel #2	05/02/2019	1,444.77	.00		
Total 5540475:				2,150.79	.00		
5540480							
TransWorld Network, Corp	14590089-054	Internet Services	04/22/2019	46.86	46.86	04/24/2019	

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
Total 5540480:				48.86	48.86		
5540610							
Empire Southwest, LLC	EMPS4585844	D8R Dozer Maintenance	02/20/2019	78.91	.00		
Empire Southwest, LLC	EMWK280267	Repair D8R Dozer	04/24/2019	1,980.17	.00		
Northern Tool & Equipment	42483943	Renewed 1 Year Advant	04/24/2019	39.99	39.99	04/25/2019	
Senergy Petroleum LLC	533108	Victory Blue Def	04/24/2019	88.65	.00		
Senergy Petroleum LLC	534993	Green Drum	05/01/2019	659.89	.00		
Total 5540610:				2,827.61	39.99		
Grand Totals:				46,762.83	20,792.99		

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

City Treasurer: _____

Report Criteria:

Detail report.

Invoices with totals above \$0 included.

Paid and unpaid invoices included.



Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLIC USE ONLY

Received Date:

Job #:

CSR:

License #:

APPLICATION FOR SPECIAL EVENT LICENSE

Fees: \$25.00 per day for 1-10 days (consecutive) Cash Checks or Money Orders Only
A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.
The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event.

SECTION 1 Applicant must be a member of a qualifying nonprofit organization, political party, or Government entity and authorized by an Officer, Director, or Chairperson of the Organization.

1. Applicant: Goeppinger Trevor John [REDACTED] 1977
Last First Middle Date of Birth
2. Applicant's mailing address: [REDACTED] Huachuca City AZ 85616
Street City State Zip
3. Applicant's home/cell phone: [REDACTED] Applicant's business phone: [REDACTED]
4. Applicant's email address: nomadenmc@gmail.com

SECTION 2 Name of Organization, Candidate or Political Party/Gov.: Nomaden International Motorcycle Club

SECTION 3 Non-Profit/IRS Tax Exempt Number: Tax # [REDACTED], Non Profit # [REDACTED]

SECTION 4 Event Location: Nomaden MC Clubhouse

Event Address: 137 N. Huachuca Blvd Suite #5, Huachuca City, AZ 85616

SECTION 5 Dates and Hours of Event. Days must be consecutive but may not exceed 10 consecutive days.
See A.R.S. § 4-244(15) and (17) for legal hours of service.

PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>27 July 2019</u>	<u>Saturday</u>	<u>10:00 AM</u>	<u>12:00 AM</u>
DAY 2:	<u>28 July 2019</u>	<u>Sunday</u>	<u>12:00AM</u>	<u>4:00 AM</u>
DAY 3:	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DAY 4:	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DAY 5:	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DAY 6:	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DAY 7:	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DAY 8:	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DAY 9:	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DAY10:	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SECTION 6 What type of security and control measures will you take to prevent violations of liquor laws at this event?
(List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

0 Number of Police 7 Number of Security Personnel ☒ Fencing ☒ Barriers

Explanation: The back yard and side yard already have permanent fencing. The canopies will have orange fencing around it with access to the back yard area. The front parking lot will be fenced off with orange fencing and cones as well. The parking lot will have vendors inside the fence line.

SECTION 7 Will this event be held on a currently licensed premise and within the already approved premises? ☐ Yes ☒ No
(If yes, Local Governing Body Signature not required)

Name of Business

License Number

Phone (Include Area Code)

SECTION 8 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation and check one of the following boxes:

- ☐ Place license in non-use
☐ Dispense and serve all spirituous liquors under retailer's license
☒ Dispense and serve all spirituous liquors under special event
☐ Split premise between special event and retail location

(IF USING RETAIL LICENSE, PLEASE SUBMIT A LETTER OF AGREEMENT FROM THE AGENT/OWNER OF THE LICENSED PREMISES TO SUSPEND OR RUN CONCURRENT WITH THE PERMANENT LICENSE DURING THE EVENT. IF THE SPECIAL EVENT IS ONLY USING A PORTION OF THE PREMISES, AGENT/OWNER WILL SIGNIFY THAT PORTION OF THE

SECTION 9 What is the purpose of this event?

☒ On-site consumption ☐ Off-site (auction/wine/distilled spirits pull) ☐ Both

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?

☐ Yes ☒ No (If yes, attach explanation.)

2. How many special event days have been issued to this organization during the calendar year? 0
(The number cannot exceed 10 days per year.)

3. Is the Organization using the services of a Licensed Contractor?

☐ Yes ☒ No If yes, please provide the following: Name of Licensed Contractor: _____

4. Is the organization using the services of a series 6, 7, 11, or 12 licensee to manage the sale or service of alcohol?

☐ Yes ☒ No If yes, please provide the following: Name of Licensee _____ License #: _____

5. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds. The organization applying must receive 25% of the gross revenues of the special event liquor sales. Attach an additional page if necessary.

Name Nomaden International Motorcycle Club Percentage: 100%

Address _____

Name _____ Percentage: _____

Address _____

Street

City

State

Zip

Please read A.R.S. § 4-203.02 Special event license: rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

NO ALCOHOLIC BEVERAGES SHALL LEAVE A SPECIAL EVENT UNLESS THEY ARE IN AUCTION WINE OR DISTILLED SPIRITS PULL SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE.

SECTION 11 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. Please attach a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades, or other control measures and security position.

ATTACH DIAGRAM

If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control. Please contact the local governing board for additional application requirements and submission deadlines. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction.

I, (Print Full Name) Trevor Goepfinger hereby swear under penalty of perjury and in compliance with A.R.S. § 4-210(A)(2) and (3) that I have read and understand the foregoing and verify that the information and statements that I have made herein are true and correct to the best of my knowledge.

Applicant Signature: 

LOCAL GOVERNING BOARD

Date Received: _____

I, _____ (Government Official) _____ (Title) recommend ☐ APPROVAL ☐ DISAPPROVAL

On behalf of _____ (City, Town, County) _____ Signature _____ Date _____ Phone _____

DLIC USE ONLY

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: ____/____/____

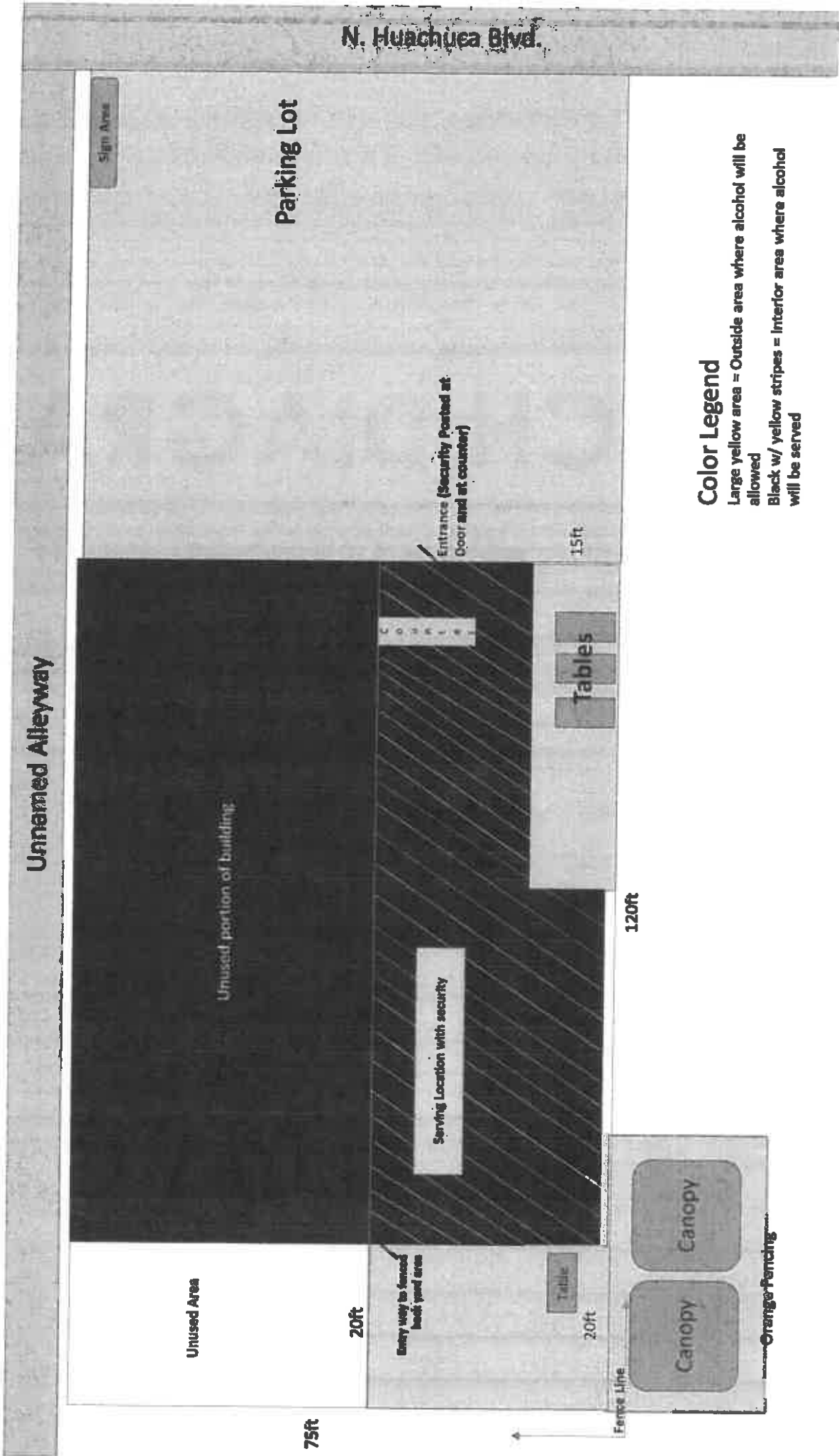
A.R.S. § 41-1030. Invalidity of rules not made according to this chapter: prohibited agency action: prohibited acts by state employees: enforcement: notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.



Color Legend

- Large yellow area = Outside area where alcohol will be allowed
- Black w/ yellow stripes = Interior area where alcohol will be served



TOWN OF HUACHUCA CITY, ARIZONA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
WITH REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF HUACHUCA CITY, ARIZONA

Table of Contents

Financial Section:

Independent Auditors' Report	1
Management's Discussion and Analysis	5

Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20

Fund Financial Statements:	
Balance Sheet – Governmental Funds	21
Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Position - Proprietary Funds	25
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	26
Statement of Cash Flows - Proprietary Funds	27
Statement of Fiduciary Net Position - Fiduciary Funds	28
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	29

Notes to the Financial Statements	30
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Required Supplemental Information:

Schedule of Changes in the Net Pension/OPEB Liability and Related Ratios	64
Schedule of Pension/OPEB Contributions	66
Notes to Pension/OPEB Plan Schedules	67
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	70
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Streets Fund	72

Supplementary Information:

Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Non-major Governmental Funds.....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Police Grants Fund.....	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Development Block Grant Fund	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Grant Opportunity Fund.....	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Camp Naco Fund	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Library Grant Fund	80

Other Communications From Independent Auditors:

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters	83
Report on Compliance with State Laws and Regulations	85

FINANCIAL SECTION

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Independent Auditors' Report

The Honorable Mayor and
Town Council
Town of Huachuca City, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Huachuca City, Arizona, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Huachuca City, Arizona, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in note 15 to the financial statements, the Town implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as amended by GASB Statement No. 85, *Omnibus 2017*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension/OPEB schedules and notes as listed in the table of contents, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Huachuca City, Arizona's basic financial statements. The combining nonmajor fund financial statements, and nonmajor fund budget and actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary combining nonmajor fund financial statements and nonmajor fund budget and actual schedules were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary budgetary comparison information for combining nonmajor fund financial statements and nonmajor fund budget and actual schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2019 on our consideration of the Town of Huachuca City, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Huachuca City, Arizona's internal control over financial reporting and compliance.



HintonBurdick, PLLC
Gilbert, Arizona
April 26, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

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**TOWN OF HUACHUCA CITY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018**

As management of the Town of Huachuca City, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Town's financial activity (3) identify changes in the Town's financial position (4) identify any material deviations from the financial plan (the approved budget) and (5) individual fund issues or concerns. Please read in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

- The Town's total net position at the close of the fiscal year was \$10.38 million. This amount is comprised of \$9.67 million in net investment in capital assets, \$19,685 of nonspendable net position, \$762,170 of restricted net position and (\$77,261) in unrestricted net position.
- Governmental net position decreased by \$469,477, before the prior period adjustment of (\$331,933) and Business-Type net position decreased by \$406,960, before the prior period adjustment of \$271,221.
- Total City and State Sales tax revenue increased by 13 percent from last year and is the single largest revenue in the budget.
- Improvements and additions totaling \$390,458 were made to the Town's capital assets.
- Total debt service payments, including interest expense were \$510,857, new debt totaling \$356,228 was issued, increases in compensated absences totaling \$21,039 and decreases in the net pension/OPEB liability of \$24,244 leaving approximately \$4.0 million in total outstanding debt at the close of the year.
- The General Fund's unassigned fund deficit increased by \$395,837, after the prior period adjustments, to (\$2,325,524).
- Other governmental fund balances increased by \$235,619, after prior period adjustments of \$35,325 to \$762,170, all of which is restricted.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Town as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. (3) Notes to the financial statements.

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the Town's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. Net position, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the Town's property tax base or condition of the Town's roads to accurately assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities, present information about the following:

- **Government activities** – All of the Town's basic services are considered to be governmental activities, including general government, public safety, public works/streets, economic development, culture and recreation, and interest on long-term debt. Sales tax, federal grants, intergovernmental revenues and charges for services finance most of these activities.
- **Proprietary activities/Business type activities** – The Town charges a fee to customers that is intended to cover all or most of the cost of the services provided.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes other funds which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The Town's two major kinds of funds, governmental and proprietary, use different accounting approaches as explained below.

- **Governmental funds** – Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included on pages 22 and 24.
- **Proprietary funds** – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Town's financial position. The Town's combined assets exceed liabilities by \$10.38 million as of June 30, 2018 as shown in the following condensed statement of net position.

Town of Huachuca City Statement of Net Position

	Governmental activities		Business-type activities		Combined Total	
	6/30/2018	*6/30/2017	6/30/2018	*6/30/2017	6/30/2018	*6/30/2017
Current and other assets	\$ (1,429,855)	\$ (1,225,855)	\$ 5,514,101	\$ 6,019,595	\$ 4,084,246	4,793,740
Capital assets	4,938,387	5,583,041	5,411,702	5,096,909	10,350,089	10,679,950
Total assets	<u>3,508,532</u>	<u>4,357,186</u>	<u>10,925,803</u>	<u>11,116,504</u>	<u>14,434,335</u>	<u>15,473,690</u>
Deferred outflows of resources	245,647	260,332	-	-	245,647	260,332
Long-term liabilities outstanding	728,515	792,680	181,653	2,833,232	910,168	3,625,912
Other liabilities	237,594	338,556	3,036,827	440,110	3,274,421	778,766
Total liabilities	<u>966,109</u>	<u>1,131,236</u>	<u>3,218,480</u>	<u>3,273,442</u>	<u>4,184,589</u>	<u>4,404,678</u>
Deferred inflows of resources	117,070	13,872	-	-	117,070	13,872
Net position:						
Invested in capital assets, net of related debt	4,546,540	5,133,108	5,127,189	4,749,073	9,673,729	9,882,181
Restricted	781,855	575,554	-	-	781,855	575,554
Unrestricted	<u>(2,657,395)</u>	<u>(2,236,252)</u>	<u>2,580,134</u>	<u>3,093,989</u>	<u>(77,261)</u>	<u>857,737</u>
Total net position	<u>\$ 2,671,000</u>	<u>\$ 3,472,410</u>	<u>\$ 7,707,323</u>	<u>\$ 7,843,062</u>	<u>\$ 10,378,323</u>	<u>\$ 11,315,472</u>

*As previously stated

The Town has \$14.68 million in total assets and deferred outflows, with \$10.35 million in capital assets (net of depreciation). The Town's Utility Funds, (Water, Sewer, Sanitation, and Landfill) operations are included in the Business-type activities column.

Governmental Activities

The Town's governmental programs include: General Government, Public Safety, Highways and Streets, and Culture and Recreation. Each programs' net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the extent to which the Town's general taxes support each of the Town's programs.

**Town of Huachuca City
Changes in Net Position**

	Governmental activities		Business-type activities		Combined Total	
	6/30/2018	*6/30/2017	6/30/2018	*6/30/2017	6/30/2018	*6/30/2017
Revenues:						
Program revenues:						
Charges for services	\$ 773,713	\$ 723,420	\$ 1,587,204	\$ 1,567,677	\$ 2,360,917	\$ 2,291,097
Operating grants and contributions	373,069	258,007	-	-	373,069	258,007
Capital grants and contributions	206	-	231,671	-	231,877	-
General revenues:						
Sales taxes	342,840	303,312	-	-	342,840	303,312
Other taxes	105,455	107,637	-	-	105,455	107,637
State revenue sharing	306,045	301,372	-	-	306,045	301,372
Other	100,418	167,251	22,031	-	122,449	167,251
Total revenues	<u>2,001,746</u>	<u>1,860,999</u>	<u>1,840,906</u>	<u>1,567,677</u>	<u>3,842,652</u>	<u>3,421,676</u>
Expenses:						
General government	566,869	709,172	-	-	566,869	709,172
Public safety	1,533,506	1,508,217	-	-	1,533,506	1,508,217
Highways and streets	60,334	136,084	-	-	60,334	136,084
Culture and recreation	291,622	335,821	-	-	291,622	335,821
Interest on long-term debt	14,892	-	-	-	14,892	-
Water	-	-	391,841	255,474	391,841	255,474
Sewer	-	-	172,716	158,368	172,716	158,368
Sanitation	-	-	88,304	80,725	88,304	80,725
Landfill	-	-	1,599,005	1,542,326	1,599,005	1,542,326
Total expenses	<u>2,467,223</u>	<u>2,689,294</u>	<u>2,251,866</u>	<u>2,036,893</u>	<u>4,719,089</u>	<u>4,726,187</u>
(Decrease)/Increase in net assets before transfers and special items	(465,477)	(828,295)	(410,960)	(469,216)	(876,437)	(1,297,511)
Transfers	(4,000)	-	4,000	-	-	-
Special item	-	(14,122)	-	-	-	(14,122)
Net position, beginning	3,472,410	4,314,827	7,843,062	8,312,278	11,315,472	12,627,105
Prior period adjustment	(331,933)	-	271,221	-	(60,712)	-
Net position, ending	<u>\$ 2,671,000</u>	<u>\$ 3,472,410</u>	<u>\$ 7,707,323</u>	<u>\$ 7,843,062</u>	<u>\$ 10,178,323</u>	<u>\$ 11,315,472</u>

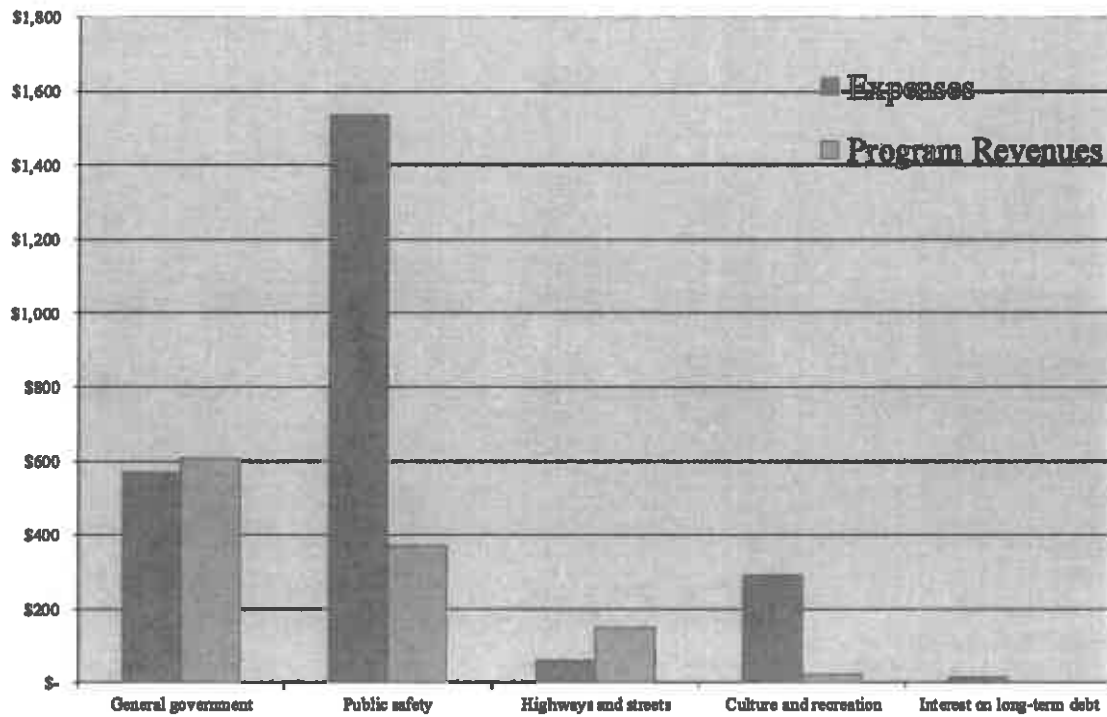
*As previously stated

The cost of all governmental activities this year was \$2,467,223 as shown in the schedule of Changes in Net Position above. \$773,713 of this cost was paid for by those who directly benefited from the programs. \$373,275 was subsidized by grants received from other governmental organizations for both capital and operating activities. General taxes, Urban Revenue Sharing, investment earnings and other revenues totaled \$854,758.

Total resources available during the year to finance governmental operations were \$5.14 million consisting of Net position at July 1, 2017 of \$3.47 million before a prior period adjustment of (\$331,933), program revenues of \$1.15 million and General Revenues of \$854,758. Total Governmental Activities during the year were \$2.47 million. Thus Governmental Net Position decreased by \$465,477 to \$2.67 million.

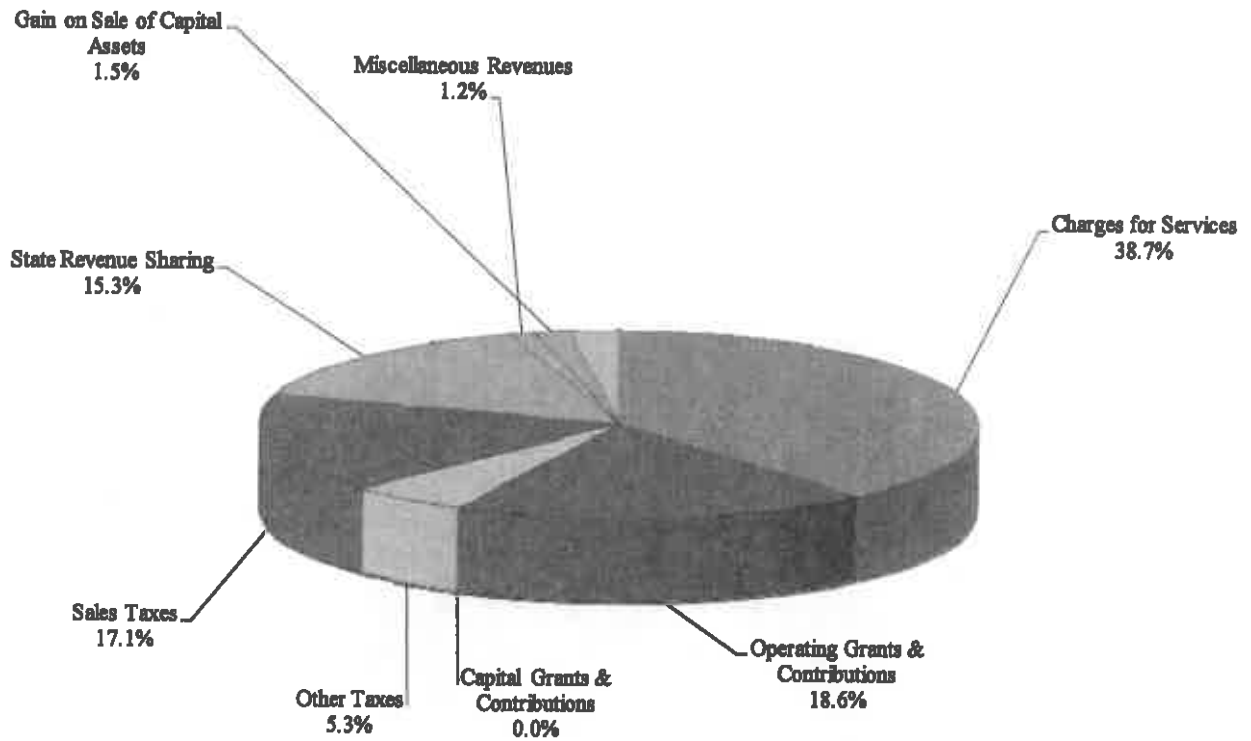
The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all government activities.

Expenses and Program Revenues - Governmental Activities
(in Thousands)



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Revenue By Source - Governmental Activities

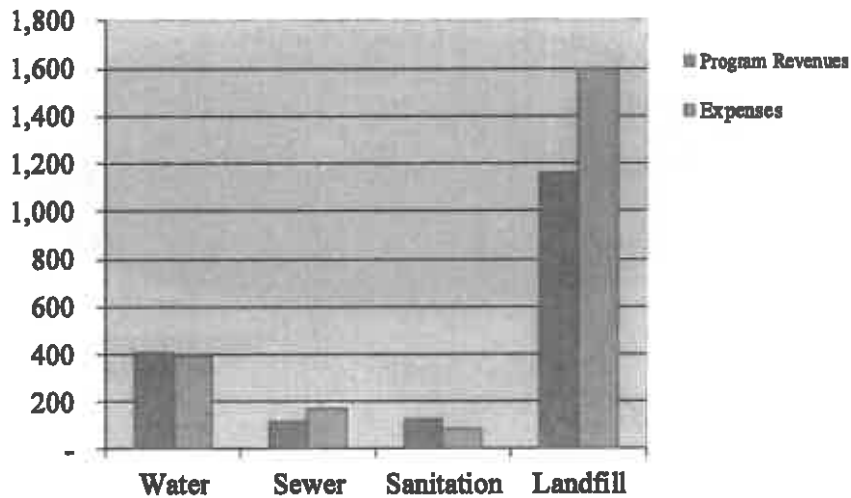


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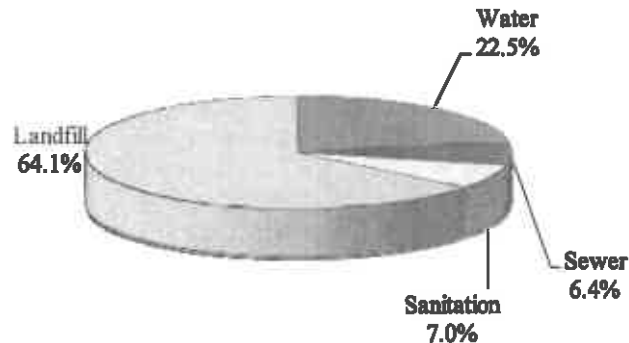
Business Type Activities

Net position of the Business Type activities at June 30, 2018, as reflected in the Statement of Net Position was \$7.71 million. The cost of providing all Proprietary (Business Type) activities this year was \$2.25 million. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were \$1.59 million. \$231,671 was subsidized by grants received from other governmental organizations for capital activities. Interest earnings and other revenues(losses) were \$22,031 Net Position decreased by \$406,960 before the prior period adjustment of \$271,221.

Expenses and Program Revenues - Business-type Activities
(in Thousands)



Revenue By Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the Town of Huachuca City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the Town of Huachuca City's governmental funds financial statements is to provide information on near-term inflows, outflows, and balances of spend-able resources. Such information is useful in assessing the Town of Huachuca City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Huachuca City's governmental funds reported combined ending fund deficits of (\$1.56) million, a decrease of \$160,218, after the prior period adjustments, in comparison with the prior year. Approximately, (150%) of this total amount or (\$2,345,209) constitutes unassigned fund balance, which is available for new spending at the government's discretion. The remainder of the fund balance is restricted, committed or assigned because it has already been committed 1) to pay debt service, 2) to pay for capital improvements or 3) for a variety of other restricted purposes.

The general fund is the chief operating fund of the Town of Huachuca City. At the end of the current fiscal year, total fund deficit in the general fund was (\$2,325,524), of which (\$2,345,209) is unassigned.

Streets fund expenditures of \$4,315 were funded by Highway User revenues of \$149,268 which resulted in ending fund balance of \$698,814.

The non-major fund balance of \$63,356 consists of grant funds and donations restricted for various purposes.

General Fund Budgetary Highlights

The Town's annual budget is the legally adopted expenditure control document of the Town. Budgetary comparison statements are required for the General Fund and all major special revenue funds. These statements compare the original adopted budget, the budget if amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

General Fund revenues of \$1,791,810 were less than the budget of \$4,246,038 by \$2,454,228 mainly due to less than anticipated intergovernmental revenue, charges for services and investment earnings. Actual expenditures of \$2,149,822 were \$2,096,216 less than budgeted expenditures of \$4,246,038. The most significant variance was from all departments and that were under budget and capital outlays being less than expected.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital Assets include equipment, vehicles, buildings, land, land improvements, utility infrastructure and roads. At the end of fiscal year 2018, net capital assets of the government activities totaled \$4.94 million and the net capital assets of the business-type activities totaled \$5.41 million. Combined capital assets additions were \$390,458 for fiscal year 2018 consisting of: assorted capital assets for various Town departments. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 6 to the financial statements.)

Debt

At year-end, the Town had \$839,897 in governmental type debt, and \$3,156,354 in business-type debt. (See note 8 the financial statements.)

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In considering the Town budget for fiscal year 2018/2019, the Town Council and management were cautious as to the growth of revenues and expenditures. Overall General Fund operating expenditures were budgeted so as to contain costs at the same level as fiscal year 2017/2018.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances for all of those with an interest in the government's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to: Town of Huachuca City, Finance Department, 500 Gonzales Blvd, Huachuca City, AZ. (520) 456-1354.

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BASIC FINANCIAL STATEMENTS

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TOWN OF HUACHUCA CITY, ARIZONA
Statement of Net Position
June 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and investments	\$ 871,611	\$ 929,805	\$ 1,801,416
Accounts receivable (net of allowance)	112,963	143,564	256,527
Inventory	500	-	500
Internal balances	(2,434,614)	2,434,614	-
Prepays	19,685	-	19,685
Other assets	-	500	500
Total current assets	(1,429,855)	3,508,483	2,078,628
Non-current assets:			
Restricted cash and cash equivalents	-	2,005,618	2,005,618
Capital assets:			
Not being depreciated	27,056	251,619	278,675
Net of accumulated depreciation	4,911,331	5,160,083	10,071,414
Total non-current assets	4,938,387	7,417,320	12,355,707
Total Assets	3,508,532	10,925,803	14,434,335
Deferred outflows related to pensions/OPEB	245,647	-	245,647
Total assets and deferred outflows of resources	3,754,179	10,925,803	14,679,982
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities			
Current liabilities:			
Accounts payable and other current liabilities	104,311	39,231	143,542
Customer deposits	-	22,895	22,895
Unearned revenue	21,901	-	21,901
Compensated absences - current	43,000	14,000	57,000
Capital leases - current	68,382	102,860	171,242
Total current liabilities	237,594	178,986	416,580
Noncurrent liabilities:			
Compensated absences	776	389	1,165
Capital leases	323,465	181,653	505,118
Net pension/OPEB liability	404,274	-	404,274
Landfill closure and post-closure costs	-	2,857,452	2,857,452
Total non-current liabilities	728,515	3,039,494	3,768,009
Total Liabilities	966,109	3,218,480	4,184,589
Deferred inflows related to pensions/OPEB	117,070	-	117,070
Total liabilities and deferred inflows of resources	1,083,179	3,218,480	4,301,659
NET POSITION:			
Net investment in capital assets	4,546,540	5,127,189	9,673,729
Nonspendable:			
Prepays	19,685	-	19,685
Restricted for:			
Public Safety	60,501	-	60,501
Highways and streets	698,814	-	698,814
Culture and recreation	2,855	-	2,855
Unrestricted	(2,657,395)	2,580,134	(77,261)
Total net (deficit) position	2,671,000	7,707,323	10,378,323
Total liabilities, deferred inflows of resources and net position	\$ 3,754,179	\$ 10,925,803	\$ 14,679,982

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government	
					Governmental Activities	Business-type Activities
Primary Government:						
Governmental activities:						
General government	\$ 566,869	\$ 605,904	\$ 396	\$ -	\$ 39,431	\$ -
Public safety	1,533,506	162,615	208,111	206	(1,162,574)	-
Highways and streets	60,334	-	149,268	-	88,934	-
Culture and recreation	291,622	5,194	15,294	-	(271,134)	-
Interest on long-term debt	14,892	-	-	-	(14,892)	-
Total governmental activities	2,467,223	773,713	373,069	206	(1,320,235)	-
Business-type activities:						
Water	391,841	177,300	-	231,671	-	17,130
Sewer	172,716	116,039	-	-	(56,677)	-
Sanitation	88,304	127,475	-	-	-	39,171
Landfill	1,599,005	1,166,390	-	-	(432,615)	(432,615)
Total business-type activities	2,251,866	1,587,204	-	231,671	(432,991)	(432,991)
Total primary government	\$ 4,719,089	\$ 2,360,917	\$ 373,069	\$ 231,877	(1,320,235)	(1,753,226)
General Revenues:						
Property taxes levied for general purposes					93,246	-
City sales tax					175,440	-
State sales tax					167,400	-
Urban revenue sharing					216,011	-
Vehicle license tax					90,034	-
Franchise tax					12,209	-
Miscellaneous revenues					23,677	-
Gain (loss) on disposal of assets					30,970	22,031
Unrestricted investment earnings/(loss)					45,771	-
Transfers					(4,000)	4,000
Total general revenues & transfers					850,758	26,031
Change in net position					(469,477)	(406,960)
Net position - beginning					3,472,410	7,843,062
Restatement adjustment					(31,933)	271,221
Net position - ending					\$ 2,671,000	\$ 7,707,323
					\$	\$ 10,378,323

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Streets Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 137,761	\$ 685,450	\$ 48,400	\$ 871,611
Receivables:				
Accounts	42,048	-	-	42,048
Property taxes	7,806	-	-	7,806
Intergovernmental	34,511	13,364	15,234	63,109
Prepaid items	19,685	-	-	19,685
Inventory	500	-	-	500
Total assets	<u>\$ 242,311</u>	<u>\$ 698,814</u>	<u>\$ 63,634</u>	<u>\$ 1,004,759</u>
LIABILITIES				
Accounts payable	\$ 63,870	\$ -	\$ -	\$ 63,870
Due to other funds	2,434,614	-	-	2,434,614
Accrued payroll	40,163	-	278	40,441
Unearned revenue	21,901	-	-	21,901
Total liabilities	<u>2,560,548</u>	<u>-</u>	<u>278</u>	<u>2,560,826</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	7,287	-	-	7,287
Total deferred inflows of resources	<u>7,287</u>	<u>-</u>	<u>-</u>	<u>7,287</u>
FUND BALANCES				
Nonspendable:				
Prepays	19,685	-	-	19,685
Restricted for:				
Public safety	-	-	60,501	60,501
Highways and Streets	-	698,814	-	698,814
Culture and recreation	-	-	2,855	2,855
Unassigned (deficits)	<u>(2,345,209)</u>	<u>-</u>	<u>-</u>	<u>(2,345,209)</u>
Total fund balances (deficits)	<u>(2,325,524)</u>	<u>698,814</u>	<u>63,356</u>	<u>(1,563,354)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 242,311</u>	<u>\$ 698,814</u>	<u>\$ 63,634</u>	<u>\$ 1,004,759</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2018

Total governmental fund balances \$ (1,563,354)

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	\$ 9,544,537	
Accumulated Depreciation	<u>(4,606,150)</u>	
		4,938,387

Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		7,287
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Capital leases	\$ (391,847)	
Net pension/OPEB liability	(404,274)	
Compensated absences	<u>(43,776)</u>	
		(839,897)

Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred outflows	\$ 245,647	
Deferred inflows	<u>(117,070)</u>	
		128,577

Total net position of governmental activities		<u>\$ 2,671,000</u>
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The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Streets Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 278,815	\$ -	\$ -	\$ 278,815
Licenses, permits and fees	19,676	-	-	19,676
Intergovernmental revenue	588,848	149,268	96,994	835,110
Charges for services	62,503	-	-	62,503
Fines and forfeitures	166,395	-	-	166,395
Investment earnings	21,682	-	-	21,682
Rent	530,000	-	-	530,000
Contributions	6,749	-	-	6,749
Other revenues	23,677	-	-	23,677
Total revenues	1,698,345	149,268	96,994	1,944,607
EXPENDITURES				
Current:				
General government	509,546	-	-	509,546
Public safety	1,293,430	-	87,173	1,380,603
Culture and recreation	196,916	-	-	196,916
Highways and streets	-	4,315	-	4,315
Capital outlay	38,546	-	-	38,546
Debt service:				
Principal	96,492	-	-	96,492
Interest	14,892	-	-	14,892
Total expenditures	2,149,822	4,315	87,173	2,241,310
Excess of revenues over (under) expenditures	(451,477)	144,953	9,821	(296,703)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	38,406	-	-	38,406
Gain/(loss) on investments	24,089	-	-	24,089
Sale of general capital assets	30,970	-	-	30,970
Transfers out	(49,520)	-	(3,483)	(53,003)
Transfers in	-	-	49,003	49,003
Total other financing sources (uses)	43,945	-	45,520	89,465
Net change in fund balances	(407,532)	144,953	55,341	(207,238)
Fund balances, beginning of year	(1,929,687)	553,547	(26,996)	(1,403,136)
Prior period adjustment	11,695	314	35,011	47,020
Fund balances (deficits), end of year	\$ (2,325,524)	\$ 698,814	\$ 63,356	\$ (1,563,354)

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ (207,238)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital Outlay	\$ 54,646	
Depreciation Expense	<u>(337,609)</u>	(282,963)
Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		2,080
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds and is recorded as an expenditure, but the repayment reduces long-term liabilities in the statement of net position.		58,086
Pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension/OPEB liability is measured a year before the City's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
Pension/OPEB contributions	\$ 71,402	
Pension/OPEB expense	<u>(142,572)</u>	(71,170)
Compensated absences and other expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences expense		(18,937)
PSPRS refund and interest expense		<u>50,665</u>
Change in net position of governmental activities		<u>\$ (469,477)</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Sanitation	Landfill	Total
ASSETS:					
Assets					
Current assets:					
Cash and investments	\$ -	\$ 197,299	\$ 529,712	\$ 202,794	\$ 929,805
Receivables (net of allowance)	8,574	11,361	8,986	114,643	143,564
Due from other funds	-	-	-	2,781,312	2,781,312
Other assets	-	500	-	-	500
Total Current Assets	8,574	209,160	538,698	3,098,749	3,855,181
Restricted cash and cash equivalents	-	-	-	2,005,618	2,005,618
Capital assets					
Land	1,012	1,969	-	248,638	251,619
Buildings	31,627	-	-	198,405	230,032
Improvements over than buildings	8,365	-	-	139,512	147,877
Machinery and equipment	27,491	117,163	79,071	2,909,638	3,133,363
Infrastructure	4,278,056	3,071,038	-	8,613	7,357,707
Accumulated depreciation	(1,903,982)	(1,256,386)	(79,071)	(2,469,457)	(5,708,896)
Total Noncurrent Assets	2,442,569	1,933,784	-	3,040,967	7,417,320
Total assets	\$ 2,451,143	\$ 2,142,944	\$ 538,698	\$ 6,139,716	\$ 11,272,501
LIABILITIES:					
Liabilities					
Current liabilities:					
Accounts payable	\$ 6,452	\$ 1,112	\$ 141	\$ 16,416	\$ 24,121
Accrued wages and benefits	3,084	2,306	712	9,008	15,110
Due to other funds	346,698	-	-	-	346,698
Customer deposits	15,884	5,849	-	1,162	22,895
Compensated absences - current	2,576	1,565	1,595	8,264	14,000
Current portion - long-term debt	-	-	-	102,860	102,860
Total Current Liabilities	374,694	10,832	2,448	137,710	525,684
Non-current liabilities:					
Compensated absences	75	37	44	233	389
Landfill closure and post-closure costs	-	-	-	2,857,452	2,857,452
Long-term debt, net of current portion	-	-	-	181,653	181,653
Total non-current liabilities	75	37	44	3,039,338	3,039,494
Total liabilities	374,769	10,869	2,492	3,177,048	3,565,178
NET POSITION:					
Net investment in capital assets	2,442,569	1,933,784	-	750,836	5,127,189
Unrestricted (deficit)	(366,195)	198,291	536,206	2,211,832	2,580,134
Total net position (deficit)	2,076,374	2,132,075	536,206	2,962,668	7,707,323
Total liabilities and net position	\$ 2,451,143	\$ 2,142,944	\$ 538,698	\$ 6,139,716	\$ 11,272,501

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Statement Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Sanitation	Landfill	Total
Operating revenues:					
Charges for services	\$ 164,702	\$ 116,039	\$ 127,475	\$ 1,159,585	\$ 1,567,801
Customer penalties and interest	11,384	-	-	-	11,384
Other revenues	1,214	-	-	6,805	8,019
Total operating revenues	177,300	116,039	127,475	1,166,390	1,587,204
Operating expenses:					
Salaries, wages and benefits	136,343	78,197	35,522	390,980	641,042
Supplies and services	102,746	40,022	35,075	309,093	486,936
Repairs and maintenance	50,088	6,107	16,844	130,471	203,510
Rent	-	-	-	530,000	530,000
Utilities	39,792	5,011	-	13,670	58,473
Depreciation	62,872	43,379	863	182,243	289,357
Total operating expenses	391,841	172,716	88,304	1,556,457	2,209,318
Net operating income (loss)	(214,541)	(56,677)	39,171	(390,067)	(622,114)
Non-operating revenues (expenses):					
Interest expense and fiscal charges	-	-	-	(18,328)	(18,328)
Gain/(loss) on sale of asset	(65)	(65)	-	22,161	22,031
Change in landfill closure and post-closure costs	-	-	-	(24,220)	(24,220)
Intergovernmental	231,671	-	-	-	231,671
Total non-operating revenue (expense)	231,606	(65)	-	(20,387)	211,154
Income (loss) before contributions and transfers	17,065	(56,742)	39,171	(410,454)	(410,960)
Transfers in	4,000	-	-	-	4,000
Change in net position	21,065	(56,742)	39,171	(410,454)	(406,960)
Total net position (deficit), beginning of year	1,778,360	2,189,775	496,447	3,378,480	7,843,062
Prior period adjustment	276,949	(958)	588	(5,358)	271,221
Total net position (deficit), end of year	\$ 2,076,374	\$ 2,132,075	\$ 536,206	\$ 2,962,668	\$ 7,707,323

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Total
	Water	Sewer	Sanitation	Landfill	
Cash flows from operating activities:					
Cash received from customers, service fees	\$ 161,356	\$ 116,421	\$ 128,591	\$ 1,175,939	\$ 1,582,307
Cash received from customers, other	12,598	-	-	6,805	19,403
Cash paid to suppliers	(199,102)	(50,077)	(52,235)	(992,247)	(1,293,661)
Cash paid to employees	(134,635)	(77,889)	(35,989)	(394,374)	(642,887)
Net cash flows from operating activities	(159,783)	(11,545)	40,367	(203,877)	(334,838)
Cash flows from noncapital financing activities:					
Transfers (to)/from other funds	4,000	-	-	-	4,000
Change in due to/due from	179,088	-	-	(782,571)	(603,483)
Net cash flows from noncapital financing activities	183,088	-	-	(782,571)	(599,483)
Cash flows from capital and related financing activities:					
Debt proceeds	-	-	-	317,821	317,821
Capital grants	231,671	-	-	-	231,671
Purchase of capital assets	(256,161)	(79,651)	-	-	(335,812)
Proceeds from the sale of capital assets	1,185	1,185	-	22,161	24,531
Principal paid on long-term debt	-	-	-	(381,144)	(381,144)
Interest paid	-	-	-	(18,328)	(18,328)
Net cash flows from capital and related financing activities	(23,305)	(78,466)	-	(59,490)	(161,261)
Net change in cash and cash equivalents	-	(90,011)	40,367	(1,045,938)	(1,095,582)
Cash and cash equivalents, beginning of year	-	287,310	489,345	3,254,350	4,031,005
Cash and cash equivalents, end of year	\$ -	\$ 197,299	\$ 529,712	\$ 2,208,412	\$ 2,935,423
Reconciliation of operating income to net cash flows from operating activities:					
Net operating income	\$ (214,541)	\$ (56,677)	\$ 39,171	\$ (390,067)	\$ (622,114)
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	62,872	43,379	863	182,243	289,357
Changes in operating assets and liabilities:					
(Increase)/Decrease in receivables	(2,877)	(836)	1,116	15,992	13,395
Increase/(Decrease) in accounts payable	(6,476)	1,063	(316)	(9,013)	(14,742)
Increase/(Decrease) in customer deposits	(469)	1,218	-	362	1,111
Increase/(Decrease) in accrued payroll and employee benefits	215	(232)	(579)	(3,351)	(3,947)
Increase/(Decrease) in compensated absences	1,493	540	112	(43)	2,102
Net cash flows from operating activities	\$ (159,783)	\$ (11,545)	\$ 40,367	\$ (203,877)	\$ (334,838)
Supplemental schedule of non-cash					
Financing and investing activities:					
Change in landfill closure and post-closure costs	\$ -	\$ -	\$ -	\$ (24,220)	\$ (24,220)

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Volunteer Firefighters' Relief and Pension</u>
ASSETS	
Cash and cash equivalents	<u>\$ 71,478</u>
Total assets and other debits	<u>71,478</u>
LIABILITIES	
Total liabilities	<u>-</u>
NET POSITION	
Held in trust for pension benefits and other purposes	<u>\$ 71,478</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Volunteer Firefighters' Relief and Pension
Additions:	
Total Additions	\$ -
Deductions:	
Distributions	<u>1,198</u>
Total Deductions	<u>1,198</u>
Net Increase (Decrease)	(1,198)
Net Position Held in Trust for Pension Benefits	
Beginning of Year	<u>72,676</u>
End of Year	<u>\$ 71,478</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies

The financial statements of the Town of Huachuca City, Arizona have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

The Town is a municipal entity governed by an elected mayor and council and provides the following services as authorized by general law: public safety, highways and streets, culture and recreation, and general administrative services. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations and so data from these units are combined with data of the Town, the primary government.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The Town is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units combined with the Town for financial statement presentation purposes, and the Town, are not included in any other governmental reporting entity. Consequently, the Town's financial statements include the funds of those organizational entities for which its elected governing body is financially accountable.

The following is a brief review of the component units included in defining the Town's reporting entity. There are no discretely presented component units and one blended component units.

Blended component units included within the reporting entity:

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

The Town of Huachuca City, Arizona Municipal Property Corporation (MPC) is governed by a three-member board appointed by the Town Council. The MPC, which is a nonprofit corporation incorporated under the laws of the State of Arizona, was formed for the sole purpose of assisting the Town in obtaining financing for various projects of the Town. Although it is legally separate from the Town, the MPC is reported as if it were part of the primary government. The MPC debt service is reported within the governmental activities in the government-wide statements. Separate financial statements for the MPC are not prepared.

Basis of presentation -- government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental fund, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of presentation -- fund financial statements

The fund financial statements provide information about the Town's funds, including the blended component unit. Separate statements for each fund category—governmental and enterprise are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except for those accounted for in another fund.

The **Streets Fund** accounts for the operation and maintenance of the Town's streets, rights of way and street lighting throughout the Town.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

The Town reports the following major enterprise funds:

The **Water Fund** accounts for the operations, maintenance, and construction of the Town-owned water system.

The **Sewer Fund** accounts for the operations, maintenance, and construction projects of the Town-owned sewer system

The **Sanitation Fund** accounts for the operations, maintenance, and capital projects of the Town-owned solid waste collection and disposal services.

The **Landfill Fund** accounts for the operations, maintenance, and construction projects of the Town-owned Landfill.

Additionally, the Town reports the following fund types:

The **Fiduciary Fund** is an agency fund which accounts for resources held by the Town on behalf of others and includes the Volunteer Firefighters Relief and Pension Trust Fund. The Volunteer Firefighters Relief and Pension Trust Fund accounts for the contributions to and earnings of the volunteer firefighters' pension trust.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, state shared revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Deposits and Investments

For the purposes of the statement of cash flows, the Town considers only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Restricted cash and cash equivalents include amounts the Town is required by Arizona Department of Environmental Quality (ADEQ) to set aside to pay for future landfill closure and post-closure costs.

All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices. The reported value of the state treasurer's pool is the same as the fair value of the pool shares. Investment earnings is composed of interest, dividends, and net changes in the estimated fair value of applicable investments.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

Arizona Revised Statutes (A.R.S) authorize the Town to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes, and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the Town may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Internal balances" in the Statement of Net Position and as "Due to" or "Due from" other funds in the fund financial statements. All trade accounts receivable in the enterprise funds are shown net of an allowance for doubtful accounts. Due to the nature of the accounts receivable in government type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

Inventories and Prepaid Items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories for the proprietary funds consist principally of materials used in the repair of the distribution, collection and treatment systems and are valued at the lower of cost (first-in, first-out) or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capitalized assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. General government infrastructure capital assets include only those assets acquired or constructed since July 1, 2003.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. Depreciation for other property, plant, equipment, and infrastructure is computed using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building improvements	20 years
Land improvements	20 years
Machinery, vehicles and equipment	8 to 15 years
Infrastructure	75 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town has one type of item that qualifies for reporting in this category. It is pension/OPEB related items reported on the government-wide financial statements. See footnote 10 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category. Pension/OPEB related items reported on the government-wide financial statements. See footnote 10 for more information. Another item, which arises only under a modified accrual basis of accounting, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Postemployment benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plan's fiduciary net position of the Arizona Public Safety Personnel Retirement System (PSPRS), and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by PSPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

Net position flow assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balances classifications. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The council has authorized the Town Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the Town's policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the Town's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

Property tax revenues are recognized as revenues in the year collected or if collected within 60 days thereafter unless they are prepaid. Property taxes not collected within 60 days subsequent to the fiscal-year end or collected in advance of the fiscal year for which they are levied are reported as deferred revenues. Cochise County levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments on October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquency date.

The County also levies various personal property taxes during the year. A lien against property assessed attaches on the first day of January preceding the assessment and levy.

Compensated Absences

Compensated absences consist of paid time off, which can be used as vacation or sick leave. The Town's permanent full-time employees may accumulate up to 200 hours of vacation. If the total amount of unused vacation time reaches the maximum of 200 hours, accruals stop until the amount falls below the cap. An employee may be allowed to carry forward paid time off to of the following year if staffing shortages prevent the employee from utilizing their paid time off. Unpaid vacation time shall be paid out in a lump sum at termination of employment once the employee has satisfactorily completed six months' probation. Employees also accrue annual sick leave which may accumulate and carryforward a maximum of 240 hours. Sick leave is not paid out at termination of employment and, is therefore, excluded from the compensated absence liability. An employee taking leave for a serious illness of a family member under the Family Medical Leave Act may use the paid time off as part of the unpaid 12 week period allowed by law.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

All vacation is accrued when incurred in the government-wide and proprietary fund financial statements. For governmental funds amounts of accumulated vacation and compensatory time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements.

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund, sewer fund, sanitation fund, and landfill fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Tax Abatements

The Town has not entered into any tax abatement agreements and the Town is not aware of any tax abatement agreements that have been entered into by other governments that would reduce the Town's tax revenues.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 22.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 24.

Note 3. Stewardship, Compliance, and Accountability

Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the Town. The use of budgets and monitoring of equity status facilitate the Town's compliance with legal requirements.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year end. The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget for the fiscal year commencing the following July 1 to the Town Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to the first of September, the expenditure limitation for the Town is legally enacted through passage of a resolution. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the State each year. This report, issued under a separate cover, reconciles total Town expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).
4. State law requires that, prior to April 1, the Economic Estimates Commission provide the Town with a final expenditure limit for the coming fiscal year.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 3. Stewardship, Compliance, and Accountability, Continued

5. Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management purposes, the Town adopts a budget by department for the General Fund and in total by fund for other funds. The Town Council has adopted a budget transfer policy and all amendments must be done in accordance with this policy.
6. The Town has adopted budgets in accordance with A.R.S. requirements and utilizes the budgets as a management control device during the year for the General, Special Revenue, Capital Projects, Debt Service, and Enterprise funds. The budgets are prepared on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.

The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the Town to spend more than budgeted revenues plus the carry-over unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.

Supplementary budgetary appropriations were not made during the year ended June 30, 2018.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation for future years, is not employed by the Town.

Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. The individual Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual reports as listed in the table of contents present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2018, if any.

Deficit Fund Balance

As of June 30, 2018, the General Fund reported a fund balance deficit of \$2,325,524. The General Fund deficit increased by \$407,532, prior to the restatement adjustment, when compared to the prior year.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 4. Deposits and Investments

A reconciliation of cash and investments as shown on the statement of net position is as follows:

Cash and cash equivalents	\$ 733,741
Cash on hand	543
Restricted cash and cash equivalents	2,005,618
Investments	<u>1,067,133</u>
Total cash and investments	<u>\$ 3,807,034</u>

For purposes of its statement of cash flows, the Town considers only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Restricted cash and cash equivalents includes amounts the Town is required to set aside to pay for future closure and post-closure costs of the Town's landfill (see Note 7).

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the Town's deposit may not be returned to it. Statutes require collateral for deposits at 102 percent of all deposits federal depository insurance does not cover. The Town does not have a formal policy for custodial credit risk. At year end, the carrying amount of the Town's deposits was \$2,739,358 and the bank balance was \$2,739,358 The bank balance was fully covered by FDIC coverage or collateral held by the pledging financial institution in the Town's name.

Investments

The provisions of State law (A.R.S. 35-323) govern the investment of funds in excess of \$100,000. A.R.S. 35-323 allows for investment in certificates of deposit, interest bearing savings accounts, repurchase agreements with a maximum maturity of 180 days, pooled investment funds established by the State Treasurer, obligations guaranteed by the United States, bonds of the State of Arizona or other local municipalities, commercial paper of prime quality that is rated "P1" by Moody's investors or "A1" by Standard and Poor's rating service, and bonds, debentures or notes that are issued by corporations organized and doing business in the United States subject to certain restrictions. For investments of less than \$100,000, procedures as specified by local ordinance or resolution must be followed.

As of June 30, 2018, the Town had the following investments:

Municipal Bonds	\$ 670,409
Corporate Bonds	383,200
Accrued income	<u>13,524</u>
	<u>\$ 1,067,133</u>

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 4. Deposits and Investments, Continued

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's policy for reducing its exposure to credit risk is to comply with State law (A.R.S. 35-323). A.R.S. 35-323 limits investment in commercial paper and corporate bonds to the top ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's and Moody's Investor Services. The Town invests in equity securities, certificates of deposit, US government securities, repurchase agreements, pooled investment funds established by the State Treasurer, bonds issued by the state, county, incorporated cities, towns or school districts, or cash and cash equivalents with a local financial institution. The Town's investments were rated by Standard and Poor's as follows:

Investment Type	Standard and Poor's Rating				Total
	AAA	AA	AA-	A+	
Municipal Bonds	\$ 193,700	\$ 270,187	\$ 206,522	\$ -	\$ 670,409
Corporate Bonds	-	-	-	383,200	383,200
Accrued income	-	-	-	-	13,524
	<u>\$ 193,700</u>	<u>\$ 270,187</u>	<u>\$ 206,522</u>	<u>\$ 383,200</u>	<u>\$ 1,067,133</u>

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Type	Investment Maturities (in Years)			Total
	N/A	Less than 1	More than 5	
Municipal Bonds	\$ -	\$ -	\$ 670,409	\$ 670,409
Corporate Bonds	-	383,200	-	383,200
Accrued income	13,524	-	-	13,524
	<u>\$ 13,524</u>	<u>\$ 383,200</u>	<u>\$ 670,409</u>	<u>\$ 1,067,133</u>

Fair value measurements

As noted above, the Town holds investments that are measured at fair value on a recurring basis. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The investments, as listed above, are valued using quoted prices in active markets (Level 1 inputs).

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 5. Restricted Assets

Restricted assets at June 30, 2018 consisted of cash reserves at totaling \$2,005,618 for landfill closure and post-closure costs.

Note 6. Capital Assets

The following table summarizes the changes to capital assets for governmental activities during the year:

	*Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 27,056	\$ -	\$ -	\$ 27,056
Total capital assets not being depreciated	27,056	-	-	27,056
Capital assets, being depreciated:				
Land Improvements	2,573,794	-	-	2,573,794
Buildings and Improvements	2,050,376	-	-	2,050,376
Infrastructure	3,135,739	-	-	3,135,739
Furniture, Equipment, Vehicles	2,055,813	54,646	(352,887)	1,757,572
Total capital assets being depreciated	9,815,722	54,646	(352,887)	9,517,481
Less accumulated depreciation for:				
Land Improvements	(1,041,436)	(93,700)	-	(1,135,136)
Buildings and Improvements	(968,204)	(56,777)	-	(1,024,981)
Infrastructure	(1,327,133)	(41,809)	-	(1,368,942)
Furniture, Equipment, Vehicles	(1,284,655)	(145,323)	352,887	(1,077,091)
Total accumulated depreciation	(4,621,428)	(337,609)	352,887	(4,606,150)
Total capital assets being depreciated, net	5,194,294	(282,963)	-	4,911,331
Governmental activities capital assets, net	\$ 5,221,350	\$ (282,963)	\$ -	\$ 4,938,387

* As restated

Depreciation expense was charged to the functions/programs of the Town as follows:

Governmental Activities:	
General government	\$ 52,710
Public safety	135,998
Highways and streets	55,979
Culture and recreation	92,922
Total depreciation expense - governmental activities	\$ 337,609

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 6. Capital Assets, Continued

The following table summarizes the changes to capital assets for business-type activities during the year:

Business Type Activities:	*Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Capital assets, not being depreciated:				
Land	\$ 251,619	\$ -	\$ -	\$ 251,619
Total capital assets not being depreciated	251,619	-	-	251,619
Capital assets, being depreciated:				
Land Improvements	147,877	-	-	147,877
Buildings and Improvements	230,032	-	-	230,032
System and Other Improvements	7,122,036	235,671	-	7,357,707
Furniture, Equipment, Vehicles	3,170,456	100,141	(137,234)	3,133,363
Total capital assets being depreciated	10,670,401	335,812	(137,234)	10,868,979
Less accumulated depreciation for:				
Land Improvements	(73,901)	(2,101)	-	(76,002)
Buildings and Improvements	(107,607)	(4,601)	-	(112,208)
System and Other Improvements	(3,001,357)	(100,592)	-	(3,101,949)
Furniture, Equipment, Vehicles	(2,371,410)	(182,063)	134,734	(2,418,739)
Total accumulated depreciation	(5,554,275)	(289,357)	134,734	(5,708,898)
Total capital assets being depreciated, net	5,116,126	46,455	(2,500)	5,160,081
Business-type activities capital assets, net	\$ 5,367,745	\$ 46,455	\$ (2,500)	\$ 5,411,700

*As restated

Depreciation expense was charged to the functions/programs of the Town as follows:

Business Type Activities:	
Water	62,872
Sewer	43,379
Sanitation	863
Landfill	182,243
Total depreciation expense - business activities	\$ 289,357

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 7. Landfill Closure and Post-Closure Costs

State and federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will not be paid until near or after the date that the landfill stops accepting waste, the Town reports a portion of these closure and post-closure care costs as an addition to long-term liabilities on the statement of Net Position in each period based on the landfill capacity the Town used as of fiscal year end. The \$2,857,452 reported as landfill closure and post-closure care liability at year end, represents the cumulative amount reported to date based on prior closure and post-closure costs recognized. As of June 30, 2018, the estimated landfill capacity used was 65.60%, and the estimated remaining life of the landfill is 22 years. The Town will recognize the remaining estimated cost of closure and post-closure care of \$1,243,737 as the remaining estimated capacity is filled. These amounts are based on an estimate of what it would cost to perform all closure and post-closure care in 2018. Actual costs will likely vary due to inflation, changes in technology, or revisions of applicable laws and regulations.

The Town has entered into a Trust Agreement with ADEQ, which required the Town to deposit approximately \$1.9 million in September 2017 into a Trust account as a means of providing financial assurance that funds will be available when needed for closure and post-closure of the landfill. The Trust Agreement requires the Town to make annual deposits starting December 2017 until the full estimated closure and post-closure costs are held in the Trust account. As of June 30, 2018, the cash restricted for this purpose is \$2,005,618.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 8. Long-Term Liabilities

The following is a summary of changes in long-term obligations for the current fiscal year:

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion
Governmental Activities:					
Capital Leases	\$ 449,933	\$ 38,406	\$ (96,493)	\$ 391,847	\$ 68,382
Net Pension/OPEB Liability	428,518	-	(24,244)	404,274	-
Accrued Compensated Absences	24,839	32,832	(13,895)	43,776	43,000
Total Governmental Activity Long-Term Liabilities	\$ 903,290	\$ 71,238	\$ (134,632)	\$ 839,897	\$ 111,382
Business-Type Activities:					
Capital Leases	\$ 347,836	\$ 317,821	\$ (381,144)	\$ 284,513	\$ 102,860
Landfill closure and post-closure	2,833,232	24,220	-	2,857,452	-
Accrued Compensated Absences	12,287	10,792	(8,690)	14,389	14,000
Total Notes Payable	3,193,355	352,833	(389,834)	3,156,354	116,860
Total Business-Type Activity Long-Term Liabilities	\$ 3,193,355	\$ 352,833	\$ (389,834)	\$ 3,156,354	\$ 116,860
Total Long-Term Liabilities	\$ 4,096,645	\$ 424,072	\$ (524,466)	\$ 3,996,251	\$ 228,242

Generally, resources from the General fund are used to liquidate pension liabilities and compensated absences for governmental activities.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 8. Long-Term Liabilities, Continued

Long-term debt activity for the primary government at June 30, 2018 is comprised of the following issues:

Leases payable:

Governmental activities:

Lease payable in annual installments of \$10,631 through November, 2018 at interest of 4.28%.	\$ 4,383
Lease payable in annual installments of \$43,884 through Septemeber, 2026 at interest of 3.29%.	337,110
Lease payable in quarterly installments of \$2,609 through January, 2019 at interest of 4.95%.	7,637
Lease payable in quarterly installments of \$2,108 through January, 2019 at interest of 4.93%.	6,170
Lease payable in annual installments of \$10,721 through January, 2021 at interest of 7.89%.	27,685
Lease payable in monthly installments of \$576 through June, 2019 at interest of 3.52%.	8,863

Business-type activities:

Lease payable in monthly installments of \$9,432 through February 1, 2021, at interest of 4.34%.	284,513
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Total leases payable	<u>676,360</u>
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Landfill closure and post-closure	2,857,452
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Accrued compensated absences	58,165
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Net pension/opeb liability	<u>404,274</u>
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Total long-term debt	<u>\$ 3,996,251</u>
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Less current portion:

Governmental activities	(111,382)
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Business-type activities	<u>(116,860)</u>
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Net long-term debt	<u><u>3,768,009</u></u>
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TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 8. Long-Term Liabilities, Continued

The Town has entered into lease agreements which are considered capital leases in accordance with generally accepted accounting principles. The following is an annual schedule of future minimum lease payments with interest rates ranging from 3.29% to 7.89%, together with the present value of the net minimum lease payments:

Year Ending June 30,	Governmental Activities	Business-Type Activities	Total
2019	\$ 82,252	\$ 113,178	\$ 195,430
2020	54,605	113,178	167,783
2021	54,605	75,452	130,057
2022	43,884	-	43,884
2023	43,884	-	43,884
2024-2028	175,535	-	175,535
Total remaining lease payments:	454,765	301,808	756,573
Less amount representing interest:	(62,918)	(17,295)	(80,213)
Present value of net remaining minimum lease payments:	<u>\$ 391,847</u>	<u>\$ 284,513</u>	<u>\$ 676,360</u>

A summary of the assets acquired through capital leases is as follows:

	Cost	Depreciation Expense	Accumulated Depreciation
Vehicles, machinery, and equipment	\$ 1,581,927	\$ 158,193	\$ 776,083

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 9. Interfund Receivables, Payables and Transfers

As of June 30, 2018, interfund receivables and payables that resulted from various interfund transactions were as follows:

Due to	Due from Landfill	Total
General Fund	\$ 2,434,614	\$ 2,434,614
Water Fund	346,698	346,698
Total	<u>\$ 2,781,312</u>	<u>\$ 2,781,312</u>

The interfund receivables and payables were recorded to eliminate short-term deficit pooled cash balances in the various funds.

Interfund transfers for the fiscal year ended June 30, 2018 are as follows:

Transfers Out	Transfers In		
	Water	Non-major Funds	Total
General Fund	\$ -	\$ 49,520	\$ 49,520
Non-major Funds	4,000	-	4,000
Total	<u>\$ 4,000</u>	<u>\$ 49,520</u>	<u>\$ 53,520</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 10. Pensions and Other Postemployment Benefits

The Town contributes to the plan described below. The plan is a component unit of the State of Arizona. At June 30, 2018, the Town reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension and OPEB liability	404,274
Deferred outflows of resources	245,647
Deferred inflows of resources	117,070
Pension/OPEB expense	142,568

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 10. Pensions and Other Postemployment Benefits, Continued

The Town's accrued payroll and employee benefits includes \$3,200 of outstanding pension and OPEB contribution amounts payable to all pension plans for the year ended June 30, 2018. Also, the Town reported \$71,402 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

Public Safety Personnel Retirement System (PSPRS)

Plan description – The Town employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool).

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. The reports are available on the PSPRS website at www.psprs.com.

Benefits provided – The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 10. Pensions and Other Postemployment Benefits, Continued

	Initial Membership Date Before January 1, 2012	Initial Membership Date On or After January 1, 2012 and Before July 1, 2017
Retirement and Disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments. The adjustments are based on inflation for PSPRS. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 10. Pensions and Other Postemployment Benefits, Continued

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the agent plans' benefit terms:

PSPRS - Police	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	1	1
Inactive employees entitled to but not yet receiving benefits	1	0
Active employees	5	5
Total	7	6

Contributions and annual OPEB cost – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member - Pension	City - Pension	City-Health insurance premium
PSPRS Police	7.65-11.65%	25.89%	1.07%
PSPRS Tier 3 risk pool	9.94%	9.68%	0.26%

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 10. Pensions and Other Postemployment Benefits, Continued

For the agent plans, the Town's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2018, were:

PSPRS - Police	Pension	Health insurance premium benefit
PSPRS	\$ 44,557	\$ 2,795
PSPRS Tier 3 risk pool	22,744	1,306

Also, statute required the Town to contribute at the actuarially determined rate of 8.18 of the annual covered payroll of Town employees who were PSPRS Tier 3 Risk Pool members, in addition to the Town's required contributions to the PSPRS Tier 3 Risk Pool for these employees.

Liability – At June 30, 2018, the Town reported the following assets and liabilities:

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS Police	\$ 398,728	\$ 5,546

The net assets and net liabilities were measured as of June 30, 2017, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2017, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liabilities for PSPRS also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012, and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011. The court decision will also affect the PSPRS net pension liabilities measured as of June 30, 2018, because of refunds of excess member contributions. The change in the Town's PSPRS net pension liabilities as a result of the refunds is not known.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 10. Pensions and Other Postemployment Benefits, Continued

Actuarial assumptions – The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

PSPRS

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.4 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. The target allocation and best estimate of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS Asset class	Target allocation	Long-term expected geometric real rate of return
Short term investments	2%	0.25%
Absolute return	2%	3.75%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Private credit	12%	6.75%
Real estate	10%	3.75%
Credit opportunities	16%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 10. Pensions and Other Postemployment Benefits, Continued

Discount Rate –At June 30, 2017, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.40% which was a decrease of 0.1 from the discount rate used as of June 30, 2016. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

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TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 10. Pensions and Other Postemployment Benefits, Continued

Changes in the Net Pension/OPEB Liability

PSPRS-Police

	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017	\$ 1,069,931	\$ 641,413	\$ 428,518	\$ 46,575	\$ 21,243	\$ 25,332
Changes for the year:						
Service cost	77,901	-	77,901	1,902	-	1,902
Interest on total pension/OPEB liability	82,472	-	82,472	3,564	-	3,564
Changes of benefit terms	19,415	-	19,415	38	-	38
Difference between expected and actual experience in the measurement of the pension/OPEB liability	(102,344)	-	(102,344)	(17,131)	-	(17,131)
Changes of assumptions	42,989	-	42,989	(2,647)	-	(2,647)
Contributions - employer	-	59,415	(59,415)	-	2,862	(2,862)
Contributions - employee	-	35,965	(35,965)	-	-	-
Net investment income	-	80,385	(80,385)	-	2,674	(2,674)
Benefit payments, including refunds of employee contributions	(18,497)	(18,497)	-	-	-	-
Plan administrative expenses	-	(1,111)	1,111	-	(24)	24
Other changes*	-	(24,431)	24,431	-	-	-
Net changes	101,936	131,726	(29,790)	(14,274)	5,512	(19,786)
Balances at June 30, 2018	\$ 1,171,867	\$ 773,139	\$ 398,728	\$ 32,301	\$ 26,755	\$ 5,546

* Other changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and employee reserves.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 10. Pensions and Other Postemployment Benefits, Continued

Sensitivity of the proportionate share of the net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the Town's net pension/OPEB (asset) liability calculated using the discount rate of 7.4 percent, as well as what the Town's net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.40%)	Discount Rate (7.40%)	1% Increase (8.40%)
PSPRS-Police			
Net pension (asset) / liability	\$ 577,341	\$ 398,728	\$ 252,399
Net OPEB (asset)/ liability	10,272	5,546	1,626

Plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued PSPRS financial report.

Expense – For the year ended June 30, 2018, the Town recognized the following pension and OPEB expense:

	<u>Pension expense</u>	<u>OPEB expense</u>
PSPRS Police	\$ 136,746	\$ 881

Deferred outflows/inflows of resources –At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 93,040	\$ 100,044	\$ -
Changes in assumptions	77,386	-	2,279
Net difference between projected and actual earnings on pension/OPEB plan investments	4,598	-	(779)
Contributions subsequent to the measurement date	67,301	-	4,101
Total	<u>\$ 242,325</u>	<u>\$ 100,044</u>	<u>\$ 3,322</u>
			<u>\$ 17,026</u>

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 10. Pensions and Other Postemployment Benefits, Continued

The amounts reported as deferred outflows of resources related to PSPRS pensions and OPEB resulting from Town contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PSPRS pensions and OPEB will be recognized in pension expense as follows:

Year Ended June 30	PSPRS Police	
	Pension	Health Insurance Premium Benefit
2019	\$ 17,411	\$ (2,947)
2020	20,022	(2,947)
2021	16,645	(2,947)
2022	8,400	(2,946)
2023	12,645	(2,752)
Thereafter	(143)	(3,266)

:

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 11. Deferred Compensation

The Town's employees (other than volunteer firemen and police officers) are covered under a defined contribution pension plan (401(k) plan), which provides retirement benefits for all of the Town's full-time employees. The plan is administered by John Hancock. The provisions of the plan were established by a pension board of the Town's council, which may amend the plan's provisions as necessary.

Employees are required to complete a six-month probationary period and attain permanent status before a certificate in the pension fund is issued. Once a certificate is issued in an employee's name, 5% of the employee's gross wages per pay period for the previous five months of employment are deposited in the pension fund. Upon completion of one year's service, all funds deposited on behalf of employees are 100% vested.

Withdrawals from the pension fund must meet the following criteria in accordance with the Equitable Life Insurance policy:

- a. Termination of employment, or
- b. Unforeseen emergencies, i.e., medical, dental, death, accident or other types of emergencies

Employees may deposit funds from their paychecks, up to predetermined amounts or one-third of their annual wages, whichever is less. Employees may be authorized to withdraw these deposited funds for the specified reasons noted above. A written request to do so must be submitted to the Pension Board for its determination. Equity Life Insurance requires that a balance of \$300 remain in an account prior to any withdrawals and in order to have an active certificate.

Note 12. Firefighters' Relief and Pension Fund

The Volunteer Firefighters' Relief and pension Fund (VFRPF) is a defined contribution plan to provide pensions to volunteer firefighters only. State statute requires that after a volunteer firefighter has 20 years of service, he or she is entitled to a monthly pension, the amount of which is determined by the board of trustees of the VFRPF, not to exceed \$150, as determined by the board of trustees. If an employee resigns before completing 20 years of service, he or she is entitled to a refund of his or her contributions only. He or she is not entitled to any part of the employer's contributions, the amounts received from the state or earnings on any of the contributions. No contributions were made for the year ended June 30, 2018 as funds were available to provide for future benefits.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 13. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The Town is a member of the Arizona Municipal Risk Retention Pool (AMRRP), a public entity risk pool currently operating as a common risk management and insurance program for Arizona municipalities. The Town pays an annual premium to AMRRP for its general insurance coverage. The Agreement for Formation of the AMRRP provides that AMRRP will be self-sustaining through member premiums and will reinsure through commercial companies for excess claims for each insured event.

The Town is also a member of the Arizona Municipal Workers Compensation Pool (AMWCP), a public entity risk pool. The pool provides member cities with workers' compensation coverage, as required by law, and risk management services. The Town is responsible for paying premiums based on an experience rating formula that allocates pool expenditures and liabilities among the members.

The Town carries commercial insurance for other risks of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year nor the three prior years.

Note 14. Contingent Liabilities and Significant Commitments

Federal grants: In the normal course of operations, the Town receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of audits of grant funds is not believed by Town officials to be material.

Litigation: The Town is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Each year, the Town may receive notices of claims for damages occurring. The filing of such claims commences a statutory period for initiating a lawsuit against the Town arising therefrom. The Town has comprehensive general liability insurance with Arizona Municipal Risk Retention Pool. The Town is not aware of any litigation that might result in a materially adverse outcome.

TOWN OF HUACHUCA CITY, ARIZONA
Notes to the Financial Statements
June 30, 2018

Note 15. Change in Accounting Principle and Restatement Adjustment

Several prior period adjustments were recorded to restate beginning fund balance or beginning net position in the financial statements. In addition, net position as of July 1, 2017, has been restated for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, as amended by GASB Statement No. 85, *Omnibus 2017*. The schedule below provides the details for these adjustments.

Restatement adjustments	Government-wide								
	Governmental Activities	Business-type Activities	General Fund	Streets Fund	Non-major Funds	Water Fund	Sewer Fund	Sanitation Fund	Landfill Fund
Net position/fund balance, as originally stated - July 1, 2017	\$ 3,472,410	\$ 7,843,062	\$ (1,929,687)	\$ 553,547	\$ (26,996)	\$ 1,778,360	\$ 2,189,775	\$ 496,447	\$ 3,378,480
Adjustments to restate various receivable and payable balances as of June 30, 2017	17,216	384	11,695	314	-	(425)	(166)	588	387
Adjustment to recognize police grant revenue related to fiscal year 2017 as of June 30, 2017	35,011	-	-	-	35,011	-	-	-	-
Adjustments to restate capital assets as of June 30, 2017	(361,690)	270,837	-	-	-	277,374	(792)	-	(5,745)
GASB 75 implementation adjustments	(22,470)	-	-	-	-	-	-	-	-
Net position / fund balance, as restated - July 1, 2017	\$ 3,140,477	\$ 8,114,283	\$ (1,917,992)	\$ 553,861	\$ 8,015	\$ 2,055,309	\$ 2,188,817	\$ 497,035	\$ 3,373,122

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF HUACHUCA CITY, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net Pension/OPEB Liability and Related Ratios
June 30, 2018

PSPRS - Pension

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total pension liability				
Service cost	\$ 77,901	\$ 76,816	\$ 69,307	\$ 51,492
Interest on total pension liability	82,472	64,911	45,503	35,530
Changes of benefit terms	19,415	111,340	-	(1,914)
Difference between expected and actual experience of the total net pension liability	(102,344)	(15,802)	128,678	19,856
Changes of assumptions	-	-	-	13,167
Benefit payments, including refunds of employee contributions	42,989 (18,497)	44,176 -	- -	- -
Net change in total pension liability	101,936	281,441	243,488	118,131
Total pension liability - beginning	1,069,931	788,490	545,002	426,871
Total pension liability - ending (a)	\$ 1,171,867	\$ 1,069,931	\$ 788,490	\$ 545,002
Plan fiduciary net position				
Contributions - employer	\$ 59,415	\$ 65,465	\$ 66,642	\$ 66,189
Contributions - employee	35,965	41,048	37,135	33,116
Net investment income	80,385	3,376	13,985	31,663
Benefit payments, including refunds of employee contributions	(18,497)	-	-	-
Pension Plan Administrative Expense	(1,111)	(886)	(727)	-
Other (net transfer)	(24,431)	33,985	79,324	(8,282)
Net change in plan fiduciary net position	131,726	142,988	196,359	122,686
Plan fiduciary net position - beginning	641,413	498,425	302,066	191,583
Plan fiduciary net position - ending (b)	\$ 773,139	\$ 641,413	\$ 498,425	\$ 314,269
Net pension liability - ending (a) - (b)	\$ 398,728	\$ 428,518	\$ 290,065	\$ 230,733
Plan fiduciary net position as a percentage of the total pension liability	65.97%	59.95%	63.21%	57.66%
Covered valuation payroll	\$ 301,941	\$ 354,318	\$ 336,066	\$ 325,471
Net pension liability as a percentage of covered-employee payroll	132.05%	120.94%	86.31%	70.89%

Note: The Town implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

TOWN OF HUACHUCA CITY, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net Pension/OPEB Liability and Related Ratios
June 30, 2018

PSPRS-Health Insurance Premium Benefit	Reporting Fiscal Year (Measurement Date)
	2018 (2017)
Total OPEB liability	
Service cost	\$ 1,902
Interest on total OPEB liability	3,564
Changes of benefit terms*	38
Difference between expected and actual experience of the total net OPEB liability	(17,131)
Changes of assumptions or other inputs	(2,647)
Benefit payments	-
Net change in total OPEB liability	(14,274)
Total OPEB liability - beginning	46,575
Total OPEB liability - ending (a)	\$ 32,301
Plan fiduciary net position	
Contributions - employer	\$ 2,862
Contributions - employee	-
Net investment income	2,674
Benefit payments	-
Administrative expense	(24)
Other changes	-
Net change in plan fiduciary net position	5,512
Plan fiduciary net position - beginning	21,243
Plan fiduciary net position - ending (b)	\$ 26,755
Net OPEB liability - ending (a) - (b)	\$ 5,546
Plan fiduciary net position as a percentage of the total OPEB liability	82.83%
Covered employee payroll	\$ 301,941
Net OPEB liability as a percentage of covered-employee payroll	1.84%

Note: The Town implemented GASB 75 in fiscal year 2018. Information prior to 2018 is not available.

TOWN OF HUACHUCA CITY, ARIZONA
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2018

PSPRS-Pensions

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Actuarially determined contribution	\$ 59,415	\$ 65,465	\$ 66,642	\$ 66,189
Contributions in relation to the actuarially determined contribution	\$ (59,415)	\$ (65,465)	\$ (66,642)	\$ (66,189)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 301,941	\$ 354,318	\$ 336,066	\$ 325,471
Contributions as a percentage of covered-employee payroll	19.68%	18.48%	19.83%	20.34%

Note: The Town implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

PSPRS-Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date) 2018 (2017)
Actuarially determined contribution	\$ 2,862
Contributions in relation to the actuarially determined contribution	\$ (2,862)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 301,941
Contributions as a percentage of covered-employee payroll	0.95%

Note: The Town implemented GASB 75 in fiscal year 2018. Information prior to 2018 is not available.

TOWN OF HUACHUCA CITY, ARIZONA
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules
June 30, 2018

Note 1. Actuarially Determined Contribution Rates

Actuarially determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2016 actuarial valuation	___ years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS.
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006–June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Note 2. Factors that Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes will increase the PSPRS required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the Town refunded excess employee contributions to PSPRS members. PSPRS allowed the Town to reduce its actual employer contributions for the refund amounts. As a result, the Town's pension contributions were less than the actuarially or statutorily determined contributions for 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

FOR THE FOLLOWING MAJOR FUNDS:

- **The General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except for those accounted for in another fund.
- **The Streets Fund** accounts for the operation and maintenance of the Town's streets, rights of way and street lighting throughout the Town.

TOWN OF HUACHUCA CITY, ARIZONA
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
City sales tax	\$ 214,349	\$ 214,349	\$ 175,440	\$ (38,909)
Property taxes	75,837	75,837	91,166	15,329
Franchise taxes	40,000	40,000	12,209	(27,791)
Total taxes	<u>330,186</u>	<u>330,186</u>	<u>278,815</u>	<u>(51,371)</u>
Fines and forfeitures	121,720	121,720	166,395	44,675
Licenses and permits	16,103	16,103	19,676	3,573
Intergovernmental:				
State sales tax	183,084	183,084	167,400	(15,684)
Auto lieu tax	89,000	89,000	90,034	1,034
Urban revenue sharing	224,320	224,320	216,011	(8,309)
Other Intergovernmental revenues	572,426	572,426	115,403	(457,023)
Total intergovernmental	<u>1,068,830</u>	<u>1,068,830</u>	<u>588,848</u>	<u>(479,982)</u>
Charges for services	1,950,000	1,950,000	62,503	(1,887,497)
Investment earnings	127,199	127,199	21,682	(105,517)
Other revenues:				
Landfill land lease	530,000	530,000	530,000	-
Contributions	17,250	17,250	6,749	(10,501)
Miscellaneous	49,750	49,750	23,677	(26,073)
Total other revenues	<u>597,000</u>	<u>597,000</u>	<u>560,426</u>	<u>(36,574)</u>
Total revenues	<u>4,211,038</u>	<u>4,211,038</u>	<u>1,698,345</u>	<u>(2,512,693)</u>
EXPENDITURES:				
General government				
Mayor and council	83,210	83,210	73,481	9,729
Administration	175,713	175,713	208,476	(32,763)
Information systems	555,290	555,290	14,749	540,541
Animal shelter	261,260	261,260	106,304	154,956
Public works administration	-	-	105	(105)
City bus	50,335	50,335	56,648	(6,313)
Building inspector	57,000	57,000	49,783	7,217
Total general government	<u>1,182,808</u>	<u>1,182,808</u>	<u>509,546</u>	<u>673,262</u>

(Continued)

TOWN OF HUACHUCA CITY, ARIZONA
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Public safety				
Police department	930,976	930,976	707,993	222,983
Fire department	318,787	318,787	467,735	(148,948)
City magistrate	117,664	117,664	117,702	(38)
Total public safety	<u>1,367,427</u>	<u>1,367,427</u>	<u>1,293,430</u>	<u>73,997</u>
Culture and recreation				
Parks	26,477	26,477	21,637	4,840
Swimming pool	12,300	12,300	25,322	(13,022)
Library	139,450	139,450	117,397	22,053
Senior citizens' center	63,942	63,942	32,560	31,382
Total culture and recreation	<u>242,169</u>	<u>242,169</u>	<u>196,916</u>	<u>45,253</u>
Capital outlay	1,326,000	1,326,000	38,546	1,287,454
Debt service:				
Principal	112,742	112,742	96,492	16,250
Interest	14,892	14,892	14,892	-
Total debt service	<u>1,453,634</u>	<u>1,453,634</u>	<u>149,930</u>	<u>1,303,704</u>
Total expenditures	<u>4,246,038</u>	<u>4,246,038</u>	<u>2,149,822</u>	<u>2,096,216</u>
Excess of revenues over (under) expenditures	<u>(35,000)</u>	<u>(35,000)</u>	<u>(451,477)</u>	<u>(416,477)</u>
Other financing sources (uses):				
Debt proceeds	-	-	38,406	38,406
Sale of capital assets	30,000	30,000	30,970	970
Gain/(loss) on investments	5,000	5,000	24,089	19,089
Transfer to other funds	-	-	(49,520)	(49,520)
Total other financing sources (uses)	<u>35,000</u>	<u>35,000</u>	<u>43,945</u>	<u>8,945</u>
Net change in fund balance	-	-	(407,532)	(407,532)
Fund balance, beginning of year	(1,929,687)	(1,929,687)	(1,929,687)	-
Prior period adjustment	-	-	11,695	11,695
Fund balance, end of year	<u>\$ (1,929,687)</u>	<u>\$ (1,929,687)</u>	<u>\$ (2,325,524)</u>	<u>\$ (395,837)</u>

TOWN OF HUACHUCA CITY, ARIZONA
STREETS FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 134,661	\$ 134,661	\$ 149,268	\$ 14,607
Miscellaneous	1,109	1,109	-	(1,109)
Total revenues	<u>135,770</u>	<u>135,770</u>	<u>149,268</u>	<u>14,607</u>
EXPENDITURES:				
Streets	101,927	101,927	4,315	97,612
Capital outlay	33,843	33,843	-	33,843
Total expenditures	<u>135,770</u>	<u>135,770</u>	<u>4,315</u>	<u>131,455</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>144,953</u>	<u>144,953</u>
Net change in fund balance	-	-	144,953	144,953
Fund balance, beginning of year	553,547	553,547	553,547	-
Prior period adjustment	-	-	314	314
Fund balance, end of year	<u>\$ 553,547</u>	<u>\$ 553,547</u>	<u>\$ 698,814</u>	<u>\$ 145,267</u>

SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS AND
BUDGETARY COMPARISON SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

- The **Police Grants Fund** is used to account for federal and state grants and contributions that are restricted for police.
- The **Community Development Block Grant Fund** is used to account for federal and state grants that are restricted for community development projects.
- The **Grant Opportunity Fund** is used to account for federal and state grants and contributions that are restricted for specific use.
- The **Camp Naco Fund** is used to account for federal and state grants and contributions that are restricted for Camp Naco.
- The **Library Grant Fund Fund** is used to account for federal and state grants and contributions that are restricted for the library's use.

TOWN OF HUACHUCA CITY, ARIZONA
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2018

	Special Revenue Funds					Total Non-major Funds
	Police Grants	Community Development Block Grant	Grant Opportunity	Camp Naco	Library Grant	
ASSETS						
Cash and investments	\$ 45,545	\$ -	\$ -	\$ -	2,855	\$ 48,400
Receivables:						
Intergovernmental	15,234	-	-	-	-	15,234
Total assets	<u>\$ 60,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,855</u>	<u>\$ 63,634</u>
LIABILITIES						
Liabilities:						
Accrued payroll	278	-	-	-	-	278
Total liabilities	<u>278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278</u>
FUND BALANCES						
Restricted for:						
Public safety	60,501	-	-	-	-	60,501
Culture and recreation	-	-	-	-	2,855	2,855
Total fund balances (deficit)	<u>60,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,855</u>	<u>63,356</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 60,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,855</u>	<u>\$ 63,634</u>

TOWN OF HUACHUCA CITY, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds						Total
	Police Grants	Community Development Block Grant	Grant Opportunity	Camp Naco	Library Grant	Non-major Funds	
REVENUES							
Intergovernmental revenue	\$ 96,994	\$ -	\$ -	\$ -	\$ -	\$ 96,994	
Total revenues	96,994	-	-	-	-	96,994	
EXPENDITURES							
Current:							
Public safety	87,173	-	-	-	-	87,173	
Total expenditures	87,173	-	-	-	-	87,173	
Excess of revenues over (under) expenditures	9,821	-	-	-	-	9,821	
OTHER FINANCING SOURCES (USES)							
Transfers out	-	(3,483)	-	-	-	(3,483)	
Transfers in	-	-	49,003	-	-	49,003	
Total other financing sources (uses)	-	(3,483)	49,003	-	-	45,520	
Net change in fund balances	9,821	(3,483)	49,003	-	-	55,341	
Fund balances (deficits), beginning of year	15,669	3,483	(49,003)	-	2,855	(26,996)	
Prior period adjustment	35,011	-	-	-	-	35,011	
Fund balances (deficits), end of year	\$ 60,501	\$ -	\$ -	\$ -	\$ 2,855	\$ 63,356	

TOWN OF HUACHUCA CITY, ARIZONA
POLICE GRANTS
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 135,000	\$ 135,000	\$ 96,994	\$ (38,006)
Total revenues	<u>135,000</u>	<u>135,000</u>	<u>96,994</u>	<u>(38,006)</u>
EXPENDITURES				
Current:				
Public safety	135,000	135,000	87,173	47,827
Total expenditures	<u>135,000</u>	<u>135,000</u>	<u>87,173</u>	<u>47,827</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>9,821</u>	<u>9,821</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>9,821</u>	<u>9,821</u>
Fund balance, beginning of year	15,669	15,669	15,669	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>35,011</u>	<u>35,011</u>
Fund balance, end of year	<u>\$ 15,669</u>	<u>\$ 15,669</u>	<u>\$ 60,501</u>	<u>\$ 44,832</u>

TOWN OF HUACHUCA CITY, ARIZONA
COMMUNITY DEVELOPMENT BLOCK GRANT
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(3,483)	3,483
Total other financing sources (uses)	-	-	(3,483)	3,483
Net change in fund balances	-	-	(3,483)	3,483
Fund balance, beginning of year	3,483	3,483	3,483	-
Fund balance, end of year	\$ 3,483	\$ 3,483	\$ -	\$ 3,483

TOWN OF HUACHUCA CITY, ARIZONA
GRANT OPPORTUNITY
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 265,000	\$ 265,000	\$ -	\$ (265,000)
Total revenues	<u>265,000</u>	<u>265,000</u>	<u>-</u>	<u>(265,000)</u>
EXPENDITURES				
Current:				
General government	265,000	265,000	-	265,000
Total expenditures	<u>265,000</u>	<u>265,000</u>	<u>-</u>	<u>265,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	49,003	49,003
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>49,003</u>	<u>49,003</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>49,003</u>	<u>49,003</u>
Fund balance, beginning of year	<u>(49,003)</u>	<u>(49,003)</u>	<u>(49,003)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (49,003)</u>	<u>\$ (49,003)</u>	<u>\$ -</u>	<u>\$ 49,003</u>

TOWN OF HUACHUCA CITY, ARIZONA
CAMP NACO
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 4,500	\$ 4,500	\$ -	\$ (4,500)
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>
EXPENDITURES				
Current:				
General government	4,500	4,500	-	4,500
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF HUACHUCA CITY, ARIZONA
LIBRARY GRANT
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>2,855</u>	<u>2,855</u>	<u>2,855</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,855</u>	<u>\$ 2,855</u>	<u>\$ 2,855</u>	<u>\$ -</u>

OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS

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HINTONBURDICK
CPAs & ADVISORS

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Mayor and
Town Council
Town of Huachuca City, Arizona

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Huachuca City, Arizona as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Huachuca City, Arizona's basic financial statements, and have issued our report thereon dated April 26, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Huachuca City, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Huachuca City, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Huachuca City, Arizona's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control that we consider to be material weaknesses.

2018-001 Grants Management

We also identified certain deficiencies in internal control that we consider to be significant deficiencies.

2018-002 Misstatements and Reconciliations

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Huachuca City, Arizona's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

2018-003 General Fund Deficit and Interfund Payables

2018-004 Financial Statement Postings on Website

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC
Gilbert, Arizona
April 26, 2019



HINTONBURDICK
CPA's & ADVISORS

**Independent Auditors' Report on
State Legal Compliance**

The Honorable Mayor and
Town Council
Town of Huachuca City, Arizona

We have audited the basic financial statements of the Town of Huachuca City, Arizona for the year ended June 30, 2018, and have issued our report thereon dated April 26, 2019. Our audit also included test work on the Town of Huachuca City's compliance with selected requirements identified in the State of Arizona Revised Statutes and the Arizona State Constitution including, but not limited to, Title 28, Chapter 18, Article 2.

The management of the Town of Huachuca City is responsible for the Town's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit; accordingly, we make the following statements:

The Town of Huachuca City has established separate funds to account for Highway User Revenue funds and Local Transportation Assistance funds. Highway user revenue fund monies received by the Town of Huachuca City pursuant to Title 28, Chapter 18, Article 2 and other dedicated state transportation revenues received during the current fiscal year appear to have been used solely for authorized purposes. The funds are administered in accordance with Generally Accepted Accounting Principles. Sources of revenues available and fund balances are reflected in the individual fund financial statements.

Our opinion regarding the Town's compliance with annual expenditure limitations has been issued separately with the Town's Annual Expenditure Limitation Report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Town of Huachuca City complied, in all material respects, with the requirements identified above for the year ended June 30, 2018.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Arizona Revised Statutes as noted above and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC
Gilbert, Arizona
April 26, 2019

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HINTONBURDICK
CPA & ADVISORS

**Findings and Recommendations
For the Year Ended June 30, 2018**

The Honorable Mayor and
Town Council
Town of Huachuca City, Arizona

Professional standards require that we communicate, in writing; deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. We wish to commend the Town for their achievements with the Town's accounting and budgeting system. During our audit of the Town of Huachuca City, Arizona, for the fiscal year ended June 30, 2018, we noted a few areas needing corrective action in order for the Town to be in compliance with laws and regulations and we found a few circumstances that, if improved, would strengthen the Town's accounting system and control over its assets. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

2018-001. Grants Management

Criteria: Grant agreements typically specify billing frequencies for submitting reimbursement requests. For those agreements that do not, best practice requires reimbursement requests are processed within a reasonable amount of time. In addition, grant revenues must be reported in the same period as the related reimbursed expenses. This ensures timely receipt of amounts owed and ensures that all eligible expenditures are reimbursed, allowing for the adequate monitoring of grant activities.

Condition: Reimbursement requests related to the DHS overtime grant were not filed timely. In addition, when the reimbursement requests were filed, they were not monitored to ensure receipt of funds.

Cause: Grants were not being appropriately monitored by the Police Department administration.

Effect: Misstatements related to revenues and receivables occurred. \$33,357 in revenue related to fiscal year 2017 and \$15,234 in revenue related to fiscal year 2018 were not initially recorded in the period that the expenses occurred. In addition, the \$15,234 in revenue related to fiscal year 2018 had not been received by the Town as of March 2019.

Recommendations: We recommend the Town create policies and procedures to monitor grants and ensure timely filing of reimbursement requests. We did note that the Town Manager took steps to mitigate the risk of loss to the Town by halting grant activities until such a time that reimbursement requests were brought current.

Significant Deficiencies:

2018-002. Misstatements and Reconciliations

Criteria: Auditing standards indicate that the identification by the auditor of misstatements in the financial statements may be a deficiency in the Town's internal controls.

Condition: Accruals and adjustments to the general ledger were required that were not initially identified by the Town's internal controls. Furthermore, we noted reconciliations for some general ledger accounts, including receivables, payables and payroll liabilities, are not being accurately and/or timely performed, which is contributing to the misstatements. We have provided additional details on reconciliation issues in a separate communication to management.

Cause: Timing restraints and/or changes in accounting personnel may be the cause for various adjustments. Procedures for year-end adjustments may also need to be revised or improved in order to properly identify certain adjustments.

Effect: The Town's financial statements would not have been fairly stated in all material respects without the adjustments. Adjustments with a net income effect of approximately \$208,000 were required.

Recommendation: We recommend that management review and understand the adjustments proposed by the auditor. We also recommend that the Town continue to develop a plan to ensure that all significant and material adjustments are posted to the general ledger before the annual audit takes place. The plan should address the need to perform accurate and timely reconciliations of various general ledger accounts. The Town should continue to improve its internal controls to a level where they will identify significant misstatements.

Control Deficiencies:

None noted

COMPLIANCE AND OTHER MATTERS:

Compliance:

2018-003. General Fund Deficit and Interfund Payables

Criteria: Governments are required to maintain positive fund balance

Condition: The General Fund reported a fund deficit of \$2,345,209 at June 30, 2018. Cash has been borrowed from the Landfill Fund to cover shortfalls. The outstanding payable to the Landfill Fund was \$2,434,614 as of June 30, 2018.

Cause: The deficit is a result of expenditures exceeding revenues over several years.

Effect: The Town is not in compliance with state law.

Recommendations: We recommend the Town work to ensure fund deficits are avoided and interfund payables are repaid as soon as possible.

2018-004. Financial Statement Postings on Website

Criteria: Arizona Revised Statutes Section 9-481 requires that the Town's audited financial statements be posted in a prominent location on the official website of the Town no later than seven business days after the date of filing the financial statements with the auditor general. The financial statements must be retained and accessible in a prominent location on the official website for at least sixty months.

Condition: The financial statements have not been posted or retained on the Town's website for sixty months..

Cause: This is likely, in part, due to the Town creating a new website and not all updates have been made.

Effect: The Town is not in compliance with state law.

Recommendations: We recommend the Town post the last five years' worth of financial statements to the official Town website as soon as possible and ensure future audited financial statements are posted in the time frame listed above and for the required length of time.

Other Matters:

None noted

Please respond to the above findings and recommendations in letter form.

It has been a pleasure to be of service to the Town this past year. We would like to express special thanks to all those who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel necessary. We look forward to a continued professional relationship.

Sincerely,

A handwritten signature in black ink that reads "HintonBurdick, PLLC". The signature is written in a cursive, flowing style.

HintonBurdick, PLLC
Gilbert, Arizona
April 26, 2019

Hugh A. Walker, Enterprises, Inc. (An Arizona Corporation)

7231 Boulder Ave, PMB700 Highland CA, 92346

Tel: 802 885-8323

FAX 909-864-18

INVOICE

DATE
April 25, 2019

INVOICE#
04-2019-01

BILL TO:
Mr. Matthew Williams
City Manager
The Town of Huachuca City
500 N. Gonzales Blvd.
Huachuca City, AZ 85616

P.O.NUMBER:
HCL2018-01
Change Order#1

PROJECT:
Task 1 Collect Geologic/Groundwater Data
Remove and Place Pumps MW-1, MW-2

LABOR DESCRIPTION:

TASK HRS

- 1 See 01/5/2018 Scope of Work Task 1
- 2 See 01/5/2018 Scope of Work Task 2
- 3 See 01/5/2018 Scope of Work Task 3
- 4 See 08-29-2018 CO#1
- 5

Total

RATE

HRS

0

AMOUNT

- 1 See 01/5/2018 Scope of Work Task 1 100% Complete
- 2 See 01/5/2018 Scope of Work Task 2 50% Complete
- 3 See 01/5/2018 Scope of Work Task 3 11.6% Complete
- See 08-29-2018 CO#1 100% Complete

\$7,200.00
\$8,900.00
\$1,415.20
\$13,945.00

EXPENSES:

Mileage

(Rate/0.56/mile)

1

0.560

0.00

Sub-Total Mileage

\$ -

1 **FOOD/Per Diem Rate as agreed Breakfast=\$N/A Lunch=\$N/A Dinner=\$N/A/Day**

Note:

Days

\$ -

1 **Lodging by receipt**

0.00

Other Out of Pocket Expenses by Receipt

0.00

1

2

SUBTOTAL

\$31,460.20

Balance Due upon Receipt, Please Remit

GRAND TOTAL

\$ 31,460.20

To: Hugh A. Walker Enterprises, Inc. at the
above address. Thank You

Hugh A. Walker, Enterprises, Inc. (An Arizona Corporation)

7231 Boulder Ave, PMB700

Highland CA, 92348

Tel: 802 885-8323

FAX 909-864-18

INVOICE

DATE

November 3, 2018

INVOICE#

11-2018-01

BILL TO:

Mr. Matthew Williams
City Manager
The Town of Huachuca City
500 N. Gonzales Blvd.
Huachuca City, AZ 85616

P.O.NUMBER:

Change Order#1

PROJECT:

Purchase New Ground Water Equipment

LABOR DESCRIPTION:

- 1 See Item 2. QED MicroPurge Pumps
- 2 See Item 3 QED Electronic Controllers
- 3
- 4
- 5

TASK HRS

Total

RATE

- 1 See Item 2. QED MicroPurge Pumps
- 2 See Item 3 QED Electronic Controllers
- 3 0

HRS

0
AMOUNT
\$7,047.00
\$16,487.00

EXPENSES:

Mileage

(Rate/0.56/mile)

1

0.560

0.00

Sub-Total Mileage

\$ -

1 **FOOD/Per Diem Rate as agreed Breakfast=\$N/ALunch=\$N/ADinner=\$N/ADay**

Note:

Days

\$ -

1 **Lodging by receipt**

0.00

Other Out of Pocket Expenses by Receipt

0.00

1

2

SUBTOTAL

\$23,534.00

Balance Due upon Receipt, Please Remit

GRAND TOTAL

\$ 23,534.00

To: Hugh A. Walker Enterprises, Inc. at the
above address. Thank You



Town of Huachuca City

The Sunset City

500 N Gonzales Blvd • Huachuca City, Arizona 85616

Phone: (520) 456-1354 • TDD: (520) 456-1353 • Fax: (520) 456-2230

ORDINANCE NO. 2019-11

AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, AMENDING THE TOWN CODE TITLE 2 "ADMINISTRATION AND PERSONNEL," CHAPTER 2.35 "OFFICERS," SECTION 2.35.015 "TOWN MANAGER," TO ALLOW THE TOWN MANAGER TO SELECT HIS OR HER DESIGNEE IN THE TOWN MANAGER'S ABSENCE AND TO ALLOW THE TOWN COUNCIL TO SELECT A DESIGNEE DUE TO THE TOWN MANAGER'S INCAPACITY OR SEPARATION; AND TO REQUIRE COUNCILMEMBERS TO GO THROUGH THE TOWN MANAGER TO CONSULT WITH TOWN EMPLOYEES REGARDING TOWN BUSINESS.

WHEREAS, the Town Council of the Town of Huachuca City has adopted by Resolution No. 84-002 a code known as the Town Code of the Town of Huachuca City, Arizona [the "Code"], and has amended and republished the Code from time to time, as authorized by A.R.S. 9-240 (B) (28) and Town Ordinance No. 15-02; and

WHEREAS, pursuant to A.R.S. section 9-303 and Ordinance No. 2016-014, the Town Council has established the office of town manager; and

WHEREAS, the Town Council wishes to amend the Code to allow the town manager to select his or her designee in the town manager's absence and to allow the Town Council to select a designee due to the town manager's incapacity or separation, and to require councilmembers to go through the town manager to consult with town employees regarding town business; and

WHEREAS, as required by the Code, section 2.25.040, this Ordinance was first read at a public meeting of the Town Council on April 25, 2019, and at a subsequent meeting on May 9, 2019.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Huachuca City, as follows:

SECTION 1. The Code, Title 2 "ADMINISTRATION AND PERSONNEL," Chapter 2.35 "OFFICERS," Section 2.35.015 "Town Manager," Subsection (F) "Absence or Disability," is amended as follows, with deletions in ~~strike through~~ and additions in underlined text, as follows:

F. Absence or Disability. ~~In the event of the absence or disability of the town manager, his or her powers and duties shall devolve upon the town clerk, unless otherwise directed by the council.~~ To perform the

duties of town manager during the temporary absence or disability of the permanent town manager, the town manager may designate by letter, filed with the clerk, a qualified administrative officer of the Town to be chosen from current employees thereof. In the event of the incapacity or separation of the town manager, the council may, by formal action, appoint someone to perform the duties of the manager until the manager has returned to capacity or until a new town manager is appointed.

SECTION 2. The Code, Title 2 "ADMINISTRATION AND PERSONNEL," Chapter 2.35 "OFFICERS," Section 2.35.015 "Town Manager," Subsection (H) "Council-Manager Relations," is amended as follows, with deletions in ~~strike~~through and additions in underlined text, as follows:

H. Council-Manager Relations. ~~The council and its members shall deal with the administrative services of the town only through the manager, and neither the council, nor any member thereof, shall give orders or instructions to any employee other than the manager.~~ The manager shall take his or her orders and instructions from the council only when promulgated at a duly convened meeting of the council, and no individual councilmember shall give any orders or instructions to the manager, except for purpose of inquiry. The council and its members shall deal with the administrative services of the town solely through the town manager, and neither the council nor any member thereof shall give orders to any subordinates of the town manager, either publicly or privately, without the permission of the town manager. Any town business-related discussions between a councilmember and employees shall be approved by the town manager in advance, in writing.

SECTION 3. All ordinances, parts of ordinances, resolutions, parts of resolutions, policies, and parts of policies in conflict with the provisions of this Ordinance, or any part hereof, are hereby repealed.

SECTION 4. If any section, subsection or portion of this Ordinance is for any reason held to be invalid or unenforceable by the decision of a court of competent jurisdiction, such decision shall not affect the validity or enforceability of the remaining portions hereof.

SECTION 5. The Town Clerk is hereby directed, pursuant to the Code, section 2.25.080, to publish this Ordinance as required by A.R.S. 9-812 and 39-204.

PASSED AND ADOPTED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, THIS 9TH DAY OF MAY, 2019.

[Signatures follow]

Johann Wallace, Mayor

ATTEST:

Matthew Williams, Interim Town Clerk

Approved as to Form:

Thomas Benavidez, Town Attorney



Town of Huachuca City

The Sunset City

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ORDINANCE NO. 2019-12

AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, AMENDING THE TOWN CODE, TITLE 9, "PUBLIC PEACE MORALS AND WELFARE," CHAPTER 9.30 "JUNKED MOTOR VEHICLES," SECTION 9.30.010 AND SECTION 9.30.020, TO REVISE THE DEFINITION OF "INOPERABLE VEHICLE" AND PROHIBIT CERTAIN STORAGE OF INOPERABLE VEHICLES ON PRIVATE PROPERTY; AND ADDING SECTION 9.30.060 PROVIDING CIVIL AND CRIMINAL PENALTIES FOR VIOLATIONS.

WHEREAS, the Town Council of the Town of Huachuca City has adopted by Resolution No. 84-002 a code known as the Town Code of the Town of Huachuca City, Arizona [the "Code"], and has amended and republished the Code from time to time, as authorized by A.R.S. 9-240 (B) (28) and Town Ordinance No. 15-02; and

WHEREAS, junked and inoperable vehicles are a nuisance in the Town and they adversely affect the Town's appearance, as well as the health, safety and welfare of the Town's residents; and

WHEREAS, the Town Council has determined that it would be in the best interests of the Town and its residents to revise the Town Code to amend the definition of "inoperable vehicle" and to clarify that certain storage of inoperable vehicles on private property is prohibited, and to provide for civil and criminal penalties for violations;" and

WHEREAS, as required by the Code, section 2.25.040, this Ordinance was first read at a public meeting of the Town Council on April 25, 2019, and at a subsequent meeting on May 9, 2019.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Huachuca City, as follows:

SECTION 1. The Code, Title 9 "PUBLIC PEACE MORALS AND WELFARE," Chapter 9.30 "JUNKED MOTOR VEHICLES," Section 9.30.010 "Definitions" is amended, as follows, with additions in underlined text:

9.30.010 Definitions.

In this chapter, unless the context otherwise requires:

"Inoperable vehicle" means any vehicle that is not in working condition as designed, or is incapable of being operated lawfully. For example, without limiting the meaning of the

term, a motor vehicle designed to be operated upon the public streets shall be deemed inoperative if a tag with a current registration (also known as a license plate) of a kind required under Arizona law as a condition of operation upon the public streets is not affixed thereto, or if the vehicle is not insured as required by law, or if one or more parts which are legally required for the operation of the vehicle are missing or not attached to the vehicle as designed; provided, however, that the following shall not be considered inoperable:

[The remainder of this section is unchanged.]

SECTION 2. The Code, Title 9 “PUBLIC PEACE MORALS AND WELFARE,” Chapter 9.30 “JUNKED MOTOR VEHICLES,” Section 9.30.020 “Prohibited storage” is amended, as follows, with additions in underlined text:

9.30.020 Prohibited storage.

It is unlawful for any person owning or having custody of any junked or inoperable motor vehicle or motor vehicle accessories to store or permit any such vehicle or accessories to remain on any private property within the town for a period of more than 30 days after the receipt of a notice requiring such removal, and it shall be further unlawful for any person owning any private property in the town to store or to permit to remain any such vehicles or accessories on his property for more than a like period. Such storage is declared to be a public nuisance and may be abated or removed and penalties imposed as provided in this chapter. This shall also include any and all vehicles not currently registered by the state of Arizona and parked or stored on any streets, alleys or city easements.

It is unlawful for any person, after notification to remove any junked motor vehicle or motor vehicle accessories from any private property has been given, to move the same to any other private property upon which such storage is not permitted or onto any public highway or other public property for purposes of storage.

SECTION 3. The Code, Title 9 “PUBLIC PEACE MORALS AND WELFARE,” Chapter 9.30 “JUNKED MOTOR VEHICLES,” is amended by adding Section 9.30.060 “Citations and penalties,” as follows:

9.30.060 Citations and penalties.

In addition to the various removal and abatement provisions contained in this chapter, as well as any other remedies allowed at law, citations for civil and criminal violations of this chapter may be filed in the Huachuca City Magistrate Court by the Police Department or the Town Attorney. The First offense: \$150.00 fine per vehicle; second offense: \$300.00 fine per vehicle; third and subsequent offenses: criminal class 1 misdemeanor per vehicle, punishable as determined by the court, not to exceed \$2,500 fine, six months in jail and three years' probation.

SECTION 4. All ordinances, parts of ordinances, resolutions, parts of resolutions, policies, and parts of policies in conflict with the provisions of this Ordinance, or any part hereof, are hereby repealed.

SECTION 5. If any section, subsection or portion of this Ordinance is for any reason held to be invalid or unenforceable by the decision of a court of competent jurisdiction, such decision shall not affect the validity or enforceability of the remaining portions hereof.

SECTION 6. The Town Clerk is hereby directed, pursuant to the Code, sections 2.25.080 and 2.25.090, to post this Ordinance in three or more public places within the Town, and to publish this Ordinance as required by A.R.S. 9-812 and 39-204.

SECTION 7. This Ordinance takes effect 31 days after its adoption by the Town Council.

PASSED AND ADOPTED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, THIS 9th DAY OF MAY, 2019.

Johann Wallace, Mayor

ATTEST:

Matthew Williams, Interim Town Clerk

Approved as to Form:

Thomas Benavidez, Town Attorney

Town of Huachuca City

The Sunset City

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ORDINANCE NO. 2019-13

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA, AMENDING THE TOWN CODE, TITLE 10 "VEHICLES, TRAFFIC AND PARKS," CHAPTER 10.20 "ABANDONED VEHICLES," SECTIONS 10.20.030 AND 10.20.090, TO REMOVE THE FEE AMOUNTS FROM THE TOWN CODE AND TO ALLOW THE TOWN COUNCIL TO ESTABLISH AND AMEND A FEE SCHEDULE BY RESOLUTION.

WHEREAS, the Town Council of the Town of Huachuca City has adopted by Resolution No. 84-002 a code known as the Town Code of the Town of Huachuca City, Arizona [the "Code"], and has amended and republished the Code from time to time, as authorized by A.R.S. section 9-240 (B) (28); and

WHEREAS, pursuant to A.R.S. Title 28, Chapter 8, Article 9, the Town is authorized to immobilize, impound and store vehicles, and charge fees therefor; and

WHEREAS, the Town Council wishes to amend the Code to remove the specific fee amounts from the Code and to allow the Town Council to establish and amend a fee schedule by resolution; and

WHEREAS, as required by the Code, section 2.25.040, this Ordinance was first read at a public meeting of the Town Council on April 25, 2019, and at a subsequent meeting on May 9, 2019.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Huachuca City, Arizona, as follows:

SECTION 1. The Code, Chapter 10.20 "ABANDONED VEHICLES," Section 10.20.030 "Impounded vehicles," subsection (B), is amended as follows, with deletions in ~~striketrough~~ and additions in underlined text:

10.20.030 Impounded vehicles.

B. The town is hereby authorized to assess and collect the following fines and fees:

1. Any person who abandons a motor vehicle on any public property, or any person who permits a vehicle to constitute an attractive nuisance or a public nuisance, or any person who violates any provisions of this chapter shall be guilty

of a petty misdemeanor and shall be punishable by a fine not to exceed \$200.00. Every day that the offense occurs shall be deemed a separate violation of this chapter.

2. Impound administrative fee ~~is \$150.00~~. This one-time fee is required on all impounded vehicles unless it was reported as stolen. Verification of the theft is required before this is waived.

3. A daily storage fee ~~of \$35.00 per day~~ will be imposed on all impounded vehicles unless it was reported as stolen. Verification of the theft is required before this is waived.

4. "No insurance" administrative fee, ~~is \$150.00~~ if the registration or driver's license has been suspended or revoked.

5. If the vehicle has not been registered, all state registration fees will also be required before the vehicle can be released.

6. The amount of the fees provided for in this chapter shall be set and amended by resolution of the council, not to exceed those amounts established by state law.

SECTION 2. The Code, Chapter 10.20 "ABANDONED VEHICLES," Section 10.20.090 "Collection of storage fees from state and federal agencies," subsection (B), is amended as follows, with deletions in ~~strike through~~ and additions in underlined text:

10.20.090 Collection of storage fees from state or federal agencies.

B. Storage of a vehicle constitutes acceptance of the following fees: established fee schedule.

1. ~~Any vehicle stored by the town shall be subject to a one-time \$150.00 processing fee which includes an agent of the town conducting an inspection of the vehicle and taking an inventory of the vehicle's contents.~~

2. ~~A per vehicle storage fee of \$35.00 per day shall be assessed upon the requesting law enforcement agency.~~

SECTION 3. All ordinances, parts of ordinances, resolutions, parts of resolutions, policies, and parts of policies in conflict with the provisions of this Ordinance, or any part hereof, are hereby repealed.

SECTION 4. If any section, subsection or portion of this Ordinance is for any reason held to be invalid or unenforceable by the decision of a court of competent jurisdiction, such decision shall not affect the validity or enforceability of the remaining portions hereof.

SECTION 5. The Town Clerk is hereby directed, pursuant to the Code, sections 2.25.080 and 2.25.090, to publish this Ordinance as required by A.R.S. 9-812 and 39-204.

PASSED AND ADOPTED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, THIS 9th DAY OF MAY, 2019.

Johann Wallace, Mayor

ATTEST:

Matt Williams, Interim Town Clerk

Approved as to Form:

Thomas Benavidez, Town Attorney



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RESOLUTION NO. 2019-16

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA, AUTHORIZING THE TOWN TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF SIERRA VISTA FOR ANIMAL CARE SERVICES.

WHEREAS, the City of Sierra Vista operates an animal care facility; and

WHEREAS, due to damage sustained at its animal shelter that makes it temporarily uninhabitable, Huachuca City has an immediate need to provide alternative animal care services to its community; and

WHEREAS, Sierra Vista is willing and able to provide to Huachuca City animal care services to care for stray and unwanted animals efficiently, effectively, and at a reasonable cost; and

WHEREAS, A.R.S. 11-952 authorizes agreements between public entities for cooperative actions, and Huachuca City and Sierra Vista desire to jointly exercise their powers and enter into an Intergovernmental Agreement whereby Sierra Vista will allow the use of its animal care facilities and services, pursuant to the terms of the agreement attached hereto as Exhibit AA@ and incorporated herein by this reference; and

WHEREAS, the Mayor and Council have determined that approval of the Intergovernmental Agreement is in the best interest of Huachuca City and its residents.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Huachuca City, Arizona, as follows:

- Section 1.** The Town hereby approves the Intergovernmental Agreement, attached hereto as Exhibit AA.@
- Section 2.** The Town's officers are hereby authorized and directed to execute said Intergovernmental Agreement on behalf of the Town of Huachuca City.
- Section 3.** The Town's officers and staff are hereby authorized to take all steps necessary and proper to implement said Intergovernmental Agreement and give it effect.

**PASSED AND ADOPTED BY THE MAYOR AND TOWN COUNCIL OF THE
TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, THIS 9th DAY OF
MAY, 2019.**

Johann Wallace, Mayor

ATTEST:

Matt Williams, Interim Town Clerk

Approved as to Form:

Thomas Benavidez, Town Attorney

EXHIBIT A

[Agreement with City of Sierra Vista must be attached.]

INTERAGENCY GOVERNMENTAL AGREEMENT

BETWEEN

THE CITY OF SIERRA VISTA

AND

THE TOWN OF HUACHUCA CITY

FOR

ANIMAL CARE SERVICES

This Interagency Governmental Agreement (hereinafter referred to as AGREEMENT) is entered into, in accordance with Arizona Revised Statutes, Section 11-952, on this ____ day of ____, 20____, by and between the City of Sierra Vista (hereinafter referred to as Sierra Vista), a municipal corporation, organized under the laws of the State of Arizona and the Town of Huachuca City (hereinafter referred to as Huachuca City).

BACKGROUND AND INTENT

WHEREAS, due to damage sustained at its animal shelter that makes it uninhabitable, Huachuca City has an immediate and severe need to provide animal care services to its community; and

WHEREAS, Sierra Vista can and is willing to provide to Huachuca City animal care services to care for stray and unwanted animals efficiently, effectively, and at a reasonable cost.

WHEREAS, pursuant to Arizona Revised Statutes, Section 11-952, which allows contracts/agreements between public agencies for cooperative actions, Sierra Vista and Huachuca City desire to enter into an Interagency Governmental Agreement for Sierra Vista to provide animal care services to Huachuca City.

THEREFORE, in consideration of the mutual promises contained in this agreement, and of the mutual benefits to result there from, parties agree as follows:

SCOPE

Sierra Vista agrees to provide animal care services to Huachuca City as set forth in Schedule A, attached, subject to the terms and conditions set forth herein. Sierra Vista's services pursuant to this AGREEMENT are provided solely to Huachuca City for the purposes described herein.

Sierra Vista will charge Huachuca City for the animal care services provided pursuant to this AGREEMENT, at the rates established in Schedule A, attached. Sierra Vista reserves the right to adjust Schedule A on an annual basis and at any time unusual circumstances dictate. Sierra Vista agrees to provide Huachuca City with sixty (60) days notice prior to instituting any changes to the fees and terms detailed in Schedule A.

Sierra Vista personnel will perform the services identified herein and in the attached Schedule in accordance with generally-accepted practices and procedures. Sierra Vista shall endeavor to rectify any post-service problems upon notice by Huachuca City that a problem exists and will attempt to reach a mutually acceptable solution.

Sierra Vista may decline to perform any service that would not otherwise be performed pursuant to this AGREEMENT, and may temporarily suspend this AGREEMENT. Reasons for a decision to decline to perform a service or suspend the AGREEMENT include, but are not limited to, the extent, complexity or type of work requested, workloads or prior commitments. Huachuca City is not obligated, pursuant to this AGREEMENT, to have services performed by Sierra Vista, and may, in its sole discretion, elect to have services performed by other parties at any time.

TERM

The initial term of this AGREEMENT shall be from July 1, 2019 through June 30, 2020. Thereafter, it shall automatically renew for successive one-year terms as of July 1 of each year, for up to three additional terms, unless either party notifies the other of its intent to not renew the AGREEMENT by written notice provided by June 1 prior to any renewal term. Otherwise, the AGREEMENT may be terminated as provided immediately below.

TERMINATION, DEFAULT, AND REMEDIES

Either party may request termination of this AGREEMENT with a 60-day prior written notice.

If Huachuca City fails to pay any of the sums required to be paid or fails to do any other things required to be done by Huachuca City under this AGREEMENT, Huachuca City shall be deemed to be in default. If Sierra Vista fails to perform the services required to be performed, fails to pay any of the sums required to be paid or fails to do any other thing required to be done by Sierra Vista under this AGREEMENT, Sierra Vista shall be deemed to be in default.

If Huachuca City, after written notice, fails to remedy any default within 30 days, or if the remedy requires more than 30 days or fails to begin and diligently pursue remedy of the default within 30 days, Sierra Vista may, at its option, terminate this AGREEMENT by giving written notice of such termination to Huachuca City. Sierra Vista may also pursue any other remedies available to it under applicable law by reason of Huachuca City's default.

If Sierra Vista, after written notice, fails to remedy any default within 30 days, or if the remedy requires more than 30 days or fails to begin and diligently pursue remedy of the default within 30 days, Huachuca City may, at its option, terminate this AGREEMENT by giving written notice of such termination to Sierra Vista. Huachuca City may also pursue any other remedies available to it under applicable law by reason of Sierra Vista's default.

INSURANCE

It is understood that Huachuca City and Sierra Vista are both public bodies in the State of Arizona. Each party shall maintain worker's compensation insurance as required by statutes, general commercial liability insurance, property damage insurance and automobile liability insurance with respect to its activities under this AGREEMENT.

Except as may be required by statute, the liability insurance referred to above shall provide, as a minimum, liability coverage for not less than \$1,000,000 combined single limit.

The limits of the required insurance shall be adjusted in accordance with the maximum limit of liability imposed on political subdivisions of the State of Arizona during the term of this AGREEMENT.

The insurance shall stipulate that the coverage shall not terminate or be canceled without thirty days written notice first being given to the Insured Party's risk manager. If the insurance is canceled or terminated prior to termination of the AGREEMENT, the Insuring Party shall provide a new policy with the same or greater limits. The Insuring Party agrees to maintain continuous, uninterrupted coverage for the duration of the AGREEMENT and to provide the Insured Party with evidence thereof.

INDEMNIFICATION

To the fullest extent permitted by law, Huachuca City shall defend, indemnify, and hold harmless Sierra Vista, its agents officers, officials and employees from and against all tortuous claims, damages, losses and expenses, including but not limited to attorney fees, court costs and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of Huachuca City, its agents or employees. Huachuca City's duty to defend, hold harmless and indemnify Sierra Vista, its agents, officers, officials and employees shall arise in connection with any tortuous claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death or injury to, impairment or destruction of property including loss of use resulting there from caused by any of Huachuca City's acts, errors, mistakes, omissions, work or services in the performance or failure to perform under this AGREEMENT, including any employee of Huachuca City or any other person for whose acts, errors, mistakes, omissions, work or services Huachuca City may be legally liable. The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

To the fullest extent permitted by law, Sierra Vista shall defend, indemnify, and hold harmless Huachuca City, its agents officers, officials and employees from and against all tortuous claims, damages, losses and expenses, including but not limited to attorney fees, court costs and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of Sierra Vista, its agents or employees. Sierra Vista's duty to defend, hold harmless and indemnify Huachuca City, its agents, officers, officials and employees shall arise in connection with any tortuous claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death or injury to, impairment or destruction of property including loss of use resulting there from caused by any of Sierra Vista's acts, errors, mistakes, omissions, work or services in the performance or failure to perform under this AGREEMENT, including any employee of Sierra Vista or any other person for whose acts, errors, mistakes, omissions, work or services Sierra Vista may be legally liable. The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

ADMINISTRATION OF AGREEMENT

Each party shall designate a representative or representatives, notice of the same to be provided to the other party, who shall be jointly responsible for developing procedures to be utilized in fulfilling this AGREEMENT and providing other administrative services as necessary. Any disputes arising under this AGREEMENT which cannot be resolved by

the above-mentioned representatives, shall be referred to the City Managers for joint resolution. Disputes not resolved at this level shall be referred to binding arbitration to be conducted by a panel of three arbitrators, one selected by each party, and the third selected by the two arbitrators.

NOTICES

Unless otherwise specified herein, any notice or communication required or permitted under this AGREEMENT shall be in writing and sent to the address given below for the party to be notified.

HUACHUCA CITY

Town Manager.
500 Gonzales Blvd
Huachuca City, AZ 85616

SIERRA VISTA

ASSIGNMENT

Neither party shall assign the rights or duties under this AGREEMENT to a third party without the written consent of the other party. Any such assignment in violation of this AGREEMENT will be grounds for termination of the AGREEMENT.

NON-DISCRIMINATION

To the extent applicable, the parties shall comply with all laws and regulations, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act and State Executive Order 75-5 which mandated all persons, regardless of race, religion, handicap, color, age, sex, political affiliation or national origin shall have equal access to employment opportunities. All parties shall comply with the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement in employment of qualified persons because of physical or mental handicap, with all federal regulations regarding equal employment opportunity, with relevant orders issued by the U.S. Secretary of Labor and with all applicable provisions of the Americans with Disabilities Act, Public Act 101-336, 42 U.S.C. Sections 12101-12213 and all applicable Federal Regulations under the Act, including 28 C.F.R. Parts 35 & 36.

RIGHTS OF PARTIES

The provisions of this AGREEMENT are intended only to define the respective rights and obligations of the parties. Nothing expressed herein shall create any rights or duties of any nature or kind in favor of any third party.

SEVERABILITY

The provisions of this AGREEMENT are severable to the extent any provision or application held to be invalid shall not affect any other provision or application of the contract, which may remain in effect without the invalid provision, or application.

OTHER TERMS

1. **WORKER'S COMPENSATION:** For purposes of workers' compensation, an employee of a Party to this Agreement, who works under the jurisdiction or control of, or who works within the jurisdictional boundaries of another Party pursuant to this intergovernmental agreement, is deemed to be an employee of both the Party who is her primary employer and the Party under whose jurisdiction or control or within whose jurisdictional boundaries she is then working, as provided in A.R.S. §23-1022(D). The primary employer of such employee shall be solely liable for payment of workers' compensation benefits for the purposes of this section. Each Party herein shall comply with the provisions of A.R.S. §23-1022(E) by posting the notice required.

2. **CONFLICT OF INTEREST.** This Agreement is subject to cancellation pursuant to the provisions of A.R.S. § 38-511 regarding Conflict of Interest.

3. **NO BOYCOTT OF ISRAEL.** In accordance with A.R.S. § 35-393.01, the parties certify that they are not currently engaged in, and for the duration of this Agreement agree not to engage in, a boycott of Israel, and will not adopt a procurement, investment, or other policy that has the effect of inducing or requiring a person or company to boycott Israel.

4. **COMPLIANCE WITH IMMIGRATION LAWS.** The parties hereby warrant that they will at all times during the term of this Agreement comply with all federal immigration laws applicable to the parties' employment of its employees, and with the requirements of A.R.S. § 23-214(A) (together the "State and Federal Immigration Laws"). The parties shall further ensure that each sub-consultant who performs any work for the party under this Agreement likewise complies with the State and Federal Immigration Laws.

5. **INSPECTION AND AUDIT.** The parties agree to retain and dispose of all books, accounts, reports, files, and other records pursuant to the provisions of the Arizona State Library, Archives & Public Records General Records Retention Schedule for All State and Local Agencies. The parties further agree that such books, accounts, reports, files, and other records shall be subject to audit pursuant to A.R.S. § 35-214.

6. **PUBLIC RECORDS LAW.** Notwithstanding any other provision of the agreement, the parties understand that all of the other parties are public entities and, as such, are each subject to Arizona's public records law, A.R.S. § 39-121 et. seq.

7. **JURISDICTION AND APPLICABLE LAW.** This Agreement shall be governed by the laws of the State of Arizona. Jurisdiction and venue for any action under this Agreement shall be in Cochise County, Arizona.

IN WITNESS WHEREOF, two identical counterparts of this AGREEMENT, each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named on the date and year first above written.

APPROVED BY:

TOWN OF HUACHUCA CITY

By _____
Johann Wallace, Mayor

DATED: _____

ATTEST:

By _____
Matt Williams, Interim City Clerk
Huachuca City

APPROVED BY:

CITY OF SIERRA VISTA

By _____
Frederick W. Mueller, Mayor

DATED: _____

ATTEST:

By _____
Jill Adams, City Clerk
City of Sierra Vista

Pursuant to A.R.S. §11-952, this AGREEMENT has been reviewed by legal counsel for each party to determine it is in proper form and is within the power and authority granted under the laws of the State of Arizona to the respective client agency.

APPROVED AS TO FORM:

Thomas Benavidez, City Attorney
Town of Huachuca City

APPROVED AS TO FORM:

Nathan Williams, City Attorney
City of Sierra Vista

Schedule A

**City of Sierra Vista
Nancy J. Brua Animal Care Center**

Animal Services Agreement

1. Any domestic stray animals found within the city limits of Huachuca City will be dropped off at the Nancy J. Brua Animal Care Center (NJBACC) by a Huachuca City Animal Control Officer (HCACO), Huachuca City employee or volunteer. An Impound sheet with the following information shall be provided:

- a) Date and time found
- b) Address or general location of where the animal was found
- c) Incident description
- d) Owner or possible owner information (if known)
- e) Tag information (if available)
- f) Microchip number (if available)

2. If the animal has tags, or microchip, or there is a known possible owner, the HCACO shall be responsible for attempting to make contact with the stray animal's owner.

3. If the animal was involved in an attack or bite incident, the HCACO is to complete the bite investigation and provide a copy of the bite case report to the NJBACC with the following information:

- a) Date and time of bite
- b) Address or location where bite occurred
- c) Name, age, address and phone number of bite victim
- d) Name, address and phone number of owner
- e) Site of the bite on victim's body
- f) Did victim seek medical attention?
- g) Rabies vaccination history
- h) Circumstance of the bite
- i) Does the owner want the dog back?
- j) Will the owner be cited?

4. If the animal was involved in any other type of nuisance incident, the HCACO is to complete the nuisance investigation and provide a copy of the case report to the NJBACC with the following information:

- a) Date and time of incident
- b) Address or location of the incident
- c) Name, age, address and phone number of victim
- d) Name, address and phone number of owner
- e) Incident description
- f) Does the owner want the dog back?
- g) Will the owner be cited?

5. Animals that were seized by HCACO or HCPD due to cruelty or neglect should be seen by a veterinarian immediately at Huachuca City's expense. HCACO may contact

the NJBACC to get assistance with scheduling an appointment with a Sierra Vista contracted veterinarian. Veterinary services may be billed to Huachuca City. Provide a copy of the veterinary report and case report to the NJBACC with the following information:

- a) Date and time of incident
- b) Address or location of the incident
- c) Name, address and phone number of owner
- d) Incident description
- e) Will the owner be cited?
- f) Can the owner have the animal(s) back?
- g) Does the animal(s) need to be held as evidence?
- h) Does the animal(s) need treatment/medication?

6. When animals are seized for any other reason, HCACO shall provide a copy of the report with the same information requested above.

7. Residents that live within the incorporated city limits area of Huachuca City may turn in their animals at the NJBACC. A spreadsheet will be kept by the NJBCC with the following information:

- a) Date and time of intake
- a) Animal's name
- b) Animal's ID number
- c) When available for adoption

8. Any stray animals without identification will be held at the NJBACC for 72 hours before being available for adoption, transferred or euthanized.

9. Any stray animals with identification (tags, license, microchip, tattoo, known owner, etc.) will be held at the NJBACC for 7 days before being available for adoption, transferred or euthanized.

10. If an HC animal is picked up after NJBCC business hours, the HCACO/PD officer should contact the dispatch non-emergency number at 520-458-3311. If the animal is a stray, a SVPD officer can meet the HCACO/PD at the NJBCC and place the animal in one of the overflow kennels. If the animal is injured or needs to be quarantined, the on call SVACO should be contacted by dispatch to meet with the HCACO/PD at the shelter.

11. Huachuca City will be responsible for sterilizing, rabies vaccinating, parvo/distemper/cat combo vaccinating and microchipping any animals dropped off by HCACO or turned in by a HC resident through the Cochise County Humane Society (CCHS). Huachuca City will schedule the appointment and transport the animals to the veterinarian designated by the CCHS. The sterilization cost is funded by the CCHS. The parvo/distemper/cat combo vaccine should be given to the animals within the first 48 hours of intake. The vaccinations, microchip and sterilization are to be completed before the animal is placed for adoption or transferred. If Huachuca City is unable to complete vaccinations, microchipping, and sterilization, NJBACC will have these actions performed through a Sierra Vista contracted veterinarian and Huachuca City will be billed for the cost.

12. Huachuca will be charged \$8.00 per day boarding fee for each animal during the holding period and until are vaccinated, microchipped and sterilized.

Fee Schedule	
Service	Fee

City

they

13. After the holding period, once the animal been vaccinated, microchipped and sterilized, Huachuca City be charged a onetime \$25.00 Intake fee.

has

will

14. If the animal needs to be euthanized after the holding period, Huachuca City will be charged a \$50.00 euthanasia fee.

15. Any puppies under a year old are parvo tested and held for up to 14 days to ensure they are healthy. Huachuca City will be charged \$15 for the parvo test. Please note that only one puppy is tested from a litter.

16. Note that the NJBACC vaccinates new intakes for kennel cough and leptospirosis.

17. HCACO will be responsible for preparing and shipping rabies specimens. HCACO may use the NJBACC facility to prepare, label and store the specimen until it is shipped.

18. HCACO/PD will be responsible for relocating, placing and transporting any wildlife that is picked up in HC. The wildlife animal can be boarded at the NJBACC until the animal is relocated.

19. Animals picked up in the unincorporated areas of Cochise County will not be boarded at the NJBACC under this agreement.

20. Deceased animals may be stored at the NJBACC. HC will be charged a \$5 disposal fee.

Boarding per day	\$8
Intake	\$25
Euthanasia	\$50
Deceased Animal Disposal	\$5
Parvo Test	\$15
FIV/FELV	\$15
Fecal Test	\$20
Microchip	\$5
4 in 1 Cat Vaccine	\$5
5 in 1 Plus Lepto Dog Vaccine	\$5
Bordatella Vaccine	\$5
Sterilization	\$100 - \$300*
*Depends on the veterinarian	



Town of Huachuca City

The Sunset City

500 N Gonzales Blvd • Huachuca City, Arizona 85616

Phone: (520) 456-1354 • TDD: (520) 456-1353 • Fax: (520) 456-2230

RESOLUTION NO. 2019-17

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA, ESTABLISHING A UNIFORM VIDEO SERVICE APPLICATION AND AFFIDAVIT AND UNIFORM VIDEO SERVICE LICENSE AGREEMENT, PURSUANT TO SENATE BILL 1140 AND HOUSE BILL 2229

WHEREAS, the State Legislature has approved Senate Bill 1140 and House Bill 2229, requiring municipalities to adopt a uniform video service application and affidavit, and a uniform service license agreement; and

WHEREAS, the Mayor and Council have determined that approval of the documents attached hereto as Exhibit A, is in the best interest of Huachuca City and its residents.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Huachuca City, Arizona, as follows:

Section 1. The Town hereby approves the uniform video service application and affidavit, and the uniform service license agreement, attached hereto as Exhibit AA.@

Section 2. The Town's officers and staff are hereby authorized to take all steps necessary and proper to implement these documents as required by state law.

PASSED AND ADOPTED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, THIS 9th DAY OF MAY, 2019.

Johann Wallace, Mayor

ATTEST:

Matt Williams, Interim Town Clerk

Approved as to Form:

Thomas Benavidez, Town Attorney

EXHIBIT A

[Uniform video service application and affidavit, and uniform service license agreement]

Model Uniform Video Service License Agreement
Date of Issuance: _____

This Uniform Video Service License Agreement ("License") is made on the date of issuance hereof by and between the City/Town of _____, an Arizona municipal corporation ("Licensor") and _____, a _____ ("Licensee").

WHEREAS, Licensee has filed a completed application and affidavit under Title 9, Chapter 13, Arizona Revised Statutes ("Licensing Statute"), for Licensor to issue a Uniform Video Service License to Licensee; and

WHEREAS, Licensee is authorized under the laws of the State of Arizona to provide Cable Service.

NOW THEREFORE, In consideration of the foregoing recitals, which are incorporated herein and the mutual covenants set forth herein, the Parties agree as follows:

1. **Definitions.** Capitalized terms that are not defined herein have the same meaning prescribed in the Licensing Statute, including A.R.S. Section 9-1401.

2. **Licensee Information.** The following appear on Exhibit A attached hereto and are incorporated herein by this reference:

2.1 The name of Licensee, its type of entity and its jurisdiction of formation.

2.2 The address and telephone number of Licensee's principal place of business.

2.3 The names, titles and addresses of Licensee's principal executive officers or general partners.

2.4 The names, titles, telephone and fax numbers and email addresses of any persons authorized to represent Licensee before Licensor.

3. **Grant of License.** Under the Licensing Statute, Licensor hereby issues to Licensee, and Licensee hereby accepts from Licensor, a nonexclusive Uniform Video Service License.

3.1 The Service Area in which this License authorizes Licensee to provide Video Service in the area described on Exhibit B attached hereto and incorporated herein by this reference.

3.2. Licensor grants Licensee authority in the delivery of Video Service to use and occupy, and to construct and operate a Video Service Network in, Highways in the Service Area in compliance with the Licensing Statute and this License.

3.3 Licensee may operate and maintain facilities installed in the Highways in the Service Area to provide services pursuant to and subject to all the following: A.R.S. Section 9-584 and A.R.S. Title 9, Chapter 5.

4. Licensee Compliance with Law. Licensee shall comply with and be subject

to:

4.1 All valid and enforceable federal and state laws.

4.2 All generally applicable, nondiscriminatory Local Laws, including highway use, mapping, insurance, performance bonds, security fund, indemnification, letter of credit or similar requirements that apply to the use and occupation of any highway and that conform to the Licensing Statute.

4.3 All public, education and government programming requirements of the Licensing Statute.

4.4 All customer service rules of the Federal Communications Commission under 47 Code of Federal Regulations Section 76.309(c) applicable to Cable Operators.

4.5 All consumer privacy requirements of 47 United States Code Section 551 applicable to Cable Operators.

5. Commencement of Video Service; Revocation. If Licensee is an incumbent cable operator, Licensee shall begin to provide Video Services under this License on the date of issuance of this license. If Licensee is not an Incumbent cable operator, Licensee shall provide video service to at least one subscriber within each service area authorized by this License not later than twenty-four months after the date of issuance of this License. Failure of a non-incumbent cable operator to provide video service to at least one subscriber within each service area as set forth above shall result in revocation of this License unless the Licensee establishes to the satisfaction of the City/Town that such failure was for reasons beyond the Licensee's control.

6. License Fee. Licensee is required to pay the License Fees required under the Licensing Statute and all other lawful fees, taxes and charges imposed by Licensor. The Initial rate of the License Fee shall be [five (5)] percent.

7. Federal Filing Requirement. Licensee is required to file in a timely manner with the Federal Communications Commission all forms required by that agency before Licensee offers Video Service in the Service Area, including the forms required by 47 Code of Federal Regulations Section 76.1801.

8. Term. The term of this License is ten (10) years and shall begin on the date of issuance.

9. Compliance with Law. Licensors and Licensees agree that they are subject to and must comply with the Licensing Statute. This License is subject to A.R.S. Section 38-511.

Licensors

Licensee

[City/Town] of _____, an Arizona
municipal corporation

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

ATTEST:

[City/Town] Clerk

APPROVED AS TO FORM:

[City/Town] Attorney

STATE OF _____)
County of _____) ss.
_____)

The foregoing instrument was acknowledged before me this _____ day
of _____, 20__ by _____, the _____ of
_____, a _____ on behalf of Licensee.

(Seal)

Notary Public

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day
of _____, 20__ by _____, Mayor of the [City/Town] of
_____, an Arizona municipal corporation, on its behalf.

(Seal)

EXHIBIT A
[Information about Licensee]

I. Licensee:

Date:		
Applicant's Name:		
Principal Place of Business		
Phone:	Address:	
City:	State:	Zip:
Type of Entity:	Jurisdiction of Formation:	Email:

II. Licensee's principal executive officers or general partners:

Name:	Title:
Address:	

Name:	Title:
Address:	

Name:	Title:
Address:	

Name:	Title:
Address:	

III. Person(s) authorized to represent Licensee before Local Government:

Name:		Title:
Address:		
Phone:	Fax:	Email:

Name:		Title:
Address:		
Phone:	Fax:	Email:

Name:		Title:
Address:		
Phone:	Fax:	Email:

EXHIBIT B
[Service Area]

APPLICATION AND AFFIDAVIT FOR UNIFORM VIDEO SERVICE LICENSE

(Pursuant to Title 9, chapter 13, Arizona Revised Statutes)

Local Government: City/Town of _____

I. Applicant:

Date:		
Applicant's Name:		
Principal Place of Business:		
Phone:	Address:	
City/Town:	State:	Zip:
Type of Entity:	Jurisdiction of Formation:	Email:

II. Applicant's principal executive officers or general partners:

Name:	Title:
Address:	

Name:	Title:
Address:	

Name:	Title:
Address:	

Name:	Title:
Address:	

III. Person(s) authorized to represent Applicant before Local Government:

Name:	Title:
Address:	
Phone:	Fax:
Email:	

Name:	Title:
Address:	
Phone:	Fax:
Email:	

IV. Check one pursuant to Arizona Revised Statutes Section 9-1411(C)(4):

- ☐ Applicant is an Incumbent Cable Operator as provided in Arizona Revised Statutes, Section 9-1401(13).
- ☐ Applicant is not an Incumbent Cable Operator. The date on which the Applicant expects to provide Video Services in the Service Area Identified below under Section 9-1411(C)(5) is:

Date:

V. For All Applications:

- A. Applicant will timely file with the Federal Communications Commission all forms required by that agency before Applicant offers Video Service in the Service Area, including the forms required by 47 Code of Federal Regulations Section 76.1801.**
- B. The term of the uniform video service license shall be (not to exceed ten years):**
- Years**
- C. Applicant agrees to pay all lawful fees and charges imposed by Local Government as provided in Arizona Revised Statutes, Section 9-1414(B)(4).**
- D. Applicant agrees to notify Local Government in writing of changes to the above information within thirty days after the change occurs as provided in Arizona Revised Statutes, Section 9-1414(B)(2).**
- E. Provide an exact description of the Service Area as set forth in Arizona Revised Statutes, Section 9-1411(C)(5), as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.**

Select one:

The Service Area consists of all the territory within the Boundaries of Local Government:

The Service Area consists of all the territory within the area described on attached Exhibit A.

Applicant Verification

I certify that the information contained in this application for a video service license in the [City/Town] of _____ is true and correct. I further affirm that I am authorized by _____ [NAME OF APPLICANT] to file this application on behalf of applicant and to bind the applicant with respect to the representations made in Section V, Paragraphs A through D of this application. A copy of the authorization is attached to this application.

Name and Title (printed): _____

Signature: _____

Date: _____

Local Government Receipt

The foregoing Application and Affidavit for Uniform Video Service License was received by Local Government this _____ day of _____, 20____; at _____.

[Insert NAME of City//Town], an Arizona municipal corporation ("Local Government")

By _____

Print Name _____

Title _____

Address _____

City, State, Zip _____

Phone

Fax

Email

Date

Town of Huachuca City

<u>Town</u> <u>Revenues</u>	<u>Account Description</u>	<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
Taxes					
10-31-100	Auto Lieu Tax	\$89,000	\$98,062	\$89,655	
10-31-200	Real Property Taxes	\$75,837	\$83,000	\$94,900	
10-31-240	Franchise Taxes	\$40,000	\$14,156	\$17,250	
10-31-250	City Sales Tax	\$214,348	\$195,666	\$214,727	
10-31-260	State Sales Tax	\$183,084	\$172,379	\$172,379	
10-31-252	Use Tax Purchasing	\$0	\$50,000	\$25,000	
10-31-254	Use Tax Inventory	\$0	\$25,000	\$25,000	
	Taxes Total	\$602,269	\$638,263	\$638,911	
Licenses and Permits					
10-32-100	Building Permits	\$5,943	\$12,000	\$30,093	
10-32-110	Business Licenses	\$10,050	\$16,000	\$12,042	
10-32-120	P&Z Fees	\$110	\$175	\$1,305	
	Licenses and Permits Total	\$16,103	\$28,175	\$43,440	
Intergovernmental Revenue					
10-33-100	State Revenue Sharing	\$224,320	\$217,000	\$224,331	
	Intergovernmental Total	\$224,320	\$217,000	\$224,331	
Charges for Service					
34-100	Zoning Fees	\$1,500	\$500	\$250	
10-34-131	Police Protection Equipment	\$500	\$250	\$100	
10-34-132	Post Training Reimbursement	\$460	\$500	\$100	
10-34-140	Auction Proceeds	\$30,000	\$10,000	\$50,000	
10-34-150	Animal Shelter Reimbursement	\$480	\$250	\$100	
10-34-160	Kennel Fees	\$16,000	\$16,000	\$1,000	
10-34-170	Administrative Garbage Fees	\$0	\$0	\$19,350	
	Service Charge Total	\$48,940	\$27,500	\$70,900	
Fines					
10-35-100	Police Fines	\$106,000	\$150,000	\$103,000	
10-35-110	Impound Fees	\$12,620	\$5,500	\$2,700	
10-35-112	Towing Fees	\$2,500	\$3,150	\$2,100	
10-35-120	Library Fines & Fees	\$600	\$5,000	\$3,200	
	Fines Total	\$121,720	\$163,650	\$111,000	
Misc Revenues					
10-36-100	Interest Earnings	\$127,199	\$6,000	\$40,633	
10-36-200	Unrealized Gains	\$5,000	\$2,000	\$2,000	
10-36-455	Donations	\$250	\$1,400	\$100	
10-36-500	Parks & Rec Fees & Donations	\$1,000	\$1,000	\$2,400	
10-36-515	Summer Splash	\$3,000	\$5,000	\$3,600	
10-36-902	Workers Comp Revenue	\$300	\$100	\$100	
10-36-903	Diesel Sales (Fire, School)	\$0	\$22,000	\$22,000	
-904	Wildland Revenue	\$135,000	\$10,000	\$2,500	
10-36-907	Insurance Claims	\$5,000	\$100	\$100	
10-36-908	Employee Insurance Contribution	\$0	\$9,750	\$25,000	

Town of Huachuca City

10-36-910	Landfill Lease Payment	\$530,000	\$571,193	\$702,955	
10-36-915	County Shelter Revenue	\$42,000	\$50,000	\$0	
10-36-950	Rico Revenue	\$25,000	\$8,400	\$8,400	
10-36-999	Daily Cash Over/Short	\$10	\$10	\$10	
10-36-980	Building Lease Rent	\$0	\$0	\$15,000	
10-36-970	Tower Lease	\$0	\$0	\$62,964	
10-36-980	Insurance Dividend	\$0	\$0	\$29,000	
	Savings From Wells Fargo Account		\$158,879	\$0	\$880,680

Misc Total **\$873,759** **\$845,832** **\$916,762**

Total General Fund Revenue **\$1,887,111** **\$1,920,420** **\$2,005,344**

Enterprise Fund Revenues

Water Fund

51-30-200	Water Sales	\$160,871	\$156,910	\$246,553	
51-30-202	RC: Reconnect Fees	\$0	\$500	\$850	
51-30-300	Connection Fees	\$500	\$500	\$850	
51-30-400	Penalties & Forfeitures	\$4,000	\$12,000	\$12,000	
51-30-900	Misc.	\$700	\$600	\$500	
	<u>Total Water Fund Revenues</u>	\$166,071	\$170,510	\$260,753	

Sewer Fund

52-20-200	Sewer Services	\$123,742	\$113,658	\$216,846	
52-30-300	Connection Fees	\$1,584	\$500	\$1,000	
52-30-xxx	Earned Interest	\$0	\$0	\$500	
	<u>Total Sewer Fund Revenue</u>	\$125,326	\$114,158	\$218,346	

Garbage Fund

54-30-200	Sales Receipts	\$139,330	\$126,748	\$144,250	
54-30-xxx	Earned Interest	\$0	\$0	\$750	
	<u>Total Garbage Fund Revenue</u>	\$139,330	\$126,748	\$145,000	

Landfill Fund

55-30-100	Interest Earnings	\$2,244	\$250	\$500	
55-30-200	Sales-Landfill	\$1,248,407	\$1,331,337	\$1,257,258	
55-30-201	Late Penalties	\$10,000	\$1,000	\$1,000	
55-30-205	Misc Revenues	\$572	\$600	\$2,500	
55-30-210	Tipping Fees	\$90,000	\$130,000	\$135,600	
55-30-500	Landfill Closure Acct	\$200,000	\$0	\$0	
55-36-400	Sale of Fixed Assets	\$120,000	\$120,000	\$75,000	
55-36-405	Scrap Metal	\$2,000	\$2,000	\$6,000	
	<u>Total Landfill Fund Revenue</u>	\$1,673,223	\$1,585,187	\$1,477,858	

Road User Fund

Town of Huachuca City

2-30-300	Gas Tax Revenue	\$134,661	\$147,652	\$150,048
23-30-800	Misc Revenue	\$1,108	\$100	\$100
	<u>Total Road User Fund Revenue</u>	\$135,769	\$147,752	\$150,148
	<u>Savings From Wells Fargo Account</u>		\$137,130	\$0
	<u>Total Enterprise Fund Revenue</u>	\$2,239,719	\$2,281,485	\$2,252,105
	Total General & Enterprise Revenues	\$4,126,830	\$4,201,905	\$4,257,449
	-0.01% Budget Decrease or Increase			

Notes: C50 & D50 Include General Fund & Enterprise Fund as it was not separated out.
(Listed below: Spending from savings)

2020 \$0 (total GFR & ER)

-100% Budget Decrease or Increase

2019: \$296,009 (total GFR & ER)

2018: \$867,634

2017: \$1,312,000

2016: \$1,068,000

<u>Revenues</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
Garbage Savings Account		0	\$0	\$25,000	
Garbage Earned Interest		\$0	\$0	\$750	
<u>Total</u>		\$0	\$0	\$25,750	
Water Savings Account		\$0	\$0	\$8,430	
Water Earned Interest		\$0	\$0	\$250	
<u>Total</u>		\$0	\$0	\$8,680	
Sewer Savings Account		\$0	\$0	\$5,823	
Sewer Earned Interest		\$0	\$0	\$175	
<u>Total</u>		\$0	\$0	\$5,998	
Landfill Savings Account		\$0	\$0	\$5,603	
Landfill Earned Interest		\$0	\$0	\$160	
<u>Total</u>				\$5,763	
Landfill Trust Fund-BOK		\$2,419,729	\$2,419,829	\$2,419,929	
Trust Fund Earned Interest		\$100	\$100	\$100	
<u>Total</u>		\$2,419,829	\$2,419,929	\$2,420,029	
01-11515	Town Savings-U.S. Banks	\$1,000,000	\$828,335	\$842,000	D25-5/7/19
	Earned Interest		\$6,000	\$40,633	
	<u>Total</u>	\$1,000,000	\$834,335	\$882,633	

	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 budget</u>	<u>FYE 2020 budget</u>	<u>Budget Breakdown</u>
10-42-100	Personnel Services	\$8,590	\$11,340	\$10,800	
10-42-130	Employee Benefits	\$1,000	\$930	\$930	
10-42-220	Attorney Fees	\$43,100	\$55,772	\$40,000	
10-42-250	Advertising	\$10,000	\$100	\$1,500	
10-42-290	Office Supplies	\$800	\$800	\$200	
10-42-530	Community Relations	\$10,000	\$700	\$100	
10-42-840	Membership League	\$5,720	\$5,720	\$5,720	
10-42-660	Travel & Training	\$4,000	\$2,000	\$1,300	
10-42-670	Bldg Lease Payment	\$0	\$0	\$18,000	
	Total	\$83,210	\$77,362	\$78,550	

<u>Account Description</u>		<u>FY 2018 Budget</u>	<u>FY 2019 Budget</u>	<u>FY 2020 Proposed</u>	
10-43-100	Personnel Services	\$33,936	\$70,000	\$156,370	
10-43-100	New Hire	\$150	\$150	\$150	
10-43-105	Overtime	\$500	\$100	\$0	
10-43-130	Employee Benefits	\$9,000	\$29,105	\$57,063	
10-43-220	Attorney Fees	\$12,943	\$10,000	\$0	
10-43-250	Advertising	\$5,000	\$7,500	\$4,000	
10-43-271	Telephone	\$9,086	\$10,500	\$8,600	
10-43-280	Insurance	\$5,315	\$12,100	\$48,891	
10-43-200	Office Supplies	\$3,000	\$3,000	\$6,000	
10-43-300	Printing	\$165	\$1,000	\$250	
10-43-340	Utilities	\$19,362	\$19,700	\$15,950	
10-43-6380	Contract Labor		\$0	\$1,700	
10-43-440	Postage	\$1,512	\$3,500	\$3,500	
10-43-470	Vehicle Expense	\$0	\$500	\$600	
10-43-475	Fuel Expense	\$612	\$600	\$600	
10-43-480	Computer Expense	\$0	\$11,400	\$3,156	
10-43-500	Building Maintenance	\$23,406	\$12,300	\$3,700	
10-43-610	Equipment Maintenance	\$0	\$200	\$500	
10-43-640	Memberships	\$7,000	\$975	\$1,500	

<u>Account Description</u>		<u>FY 2018 Budget</u>	<u>FY 2019 Budget</u>	<u>FY 2020 Proposed</u>	
10-43-850	Audit		\$14,621	\$35,750	
10-43-880	Travel/Training	\$3,000	\$4,850	\$4,000	
10-43-800	Election Supplies	\$8,000	\$8,000	\$100	
10-43-703	Codifying/Digitizing	\$2,000	\$3,500	\$2,100	
10-43-705	Capital Lease Expense	\$5,034	\$5,000	\$7,000	
10-43-840	Capital Outlay-Equipment	\$0	\$3,700	\$100	
		\$149,021	\$232,301	\$361,580	

	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Budget</u>	<u>Budget Breakdown</u>
10-45-100	Personnel Services	\$59,760	\$43,136	\$12,857	
10-45-105	Overtime	\$300	\$100	\$500	
10-45-120	Prosecution Fees	\$0	\$0	\$6,600	
10-45-130	Employee Benefits	\$17,881	\$17,881	\$4,601	
10-45-XXX	Utilities		\$0	\$0	
10-45-221	Court Appointed Attorneys	\$0	\$0	\$9,200	
10-45-250	Contract Labor Pro Tem	\$2,000	\$1,500	\$1,000	
10-45-290	Office Supplies	\$801	\$450	\$450	
10-45-380	Contract Labor Judge	\$14,400	\$14,400	\$10,000	
10-45-381	Contract Labor Security	\$2,600	\$2,600	\$1,700	
10-45-480	Computer Expense	\$2,500	\$2,500	\$2,500	
10-45-660	Travel/Training	\$500	\$500	\$500	
10-45-810	Jail Fees	\$12,000	\$6,000	\$4,500	
Total Court Expenditures		\$112,742	\$89,067	\$54,408	

-38.91% Budget Decrease/Increase

<u>Account Description</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
10-48-100	Personnel Services	\$35,700	\$0	\$0	
10-48-101	Contract Labor	\$41,000	\$41,000	\$23,725	
10-48-105	Overtime	\$1,500	\$0	\$0	
10-48-130	Employee Benefits	\$4,590	\$0	\$0	
10-48-210	Subscriptions	\$500	\$8,890	\$13,040	
	Email		\$4,500		
	Endpoint Security		\$2,500		
	Internet Service - Main Branch		\$1,140		
	Domain Name		\$750		
	Web Hosting		\$0		
10-48-222	Software Licensing	\$0	\$1,000	\$100	
10-48-275	Cell Phone	\$0	\$18,000	\$19,680	
10-48-660	Travel & Training	\$3,000	\$0	\$0	
10-48-840	Capital Outlay	\$5,000	\$8,250	\$7,750	
	Computer Lease		\$7,000		
	Network Upgrades (Switches)		\$750		
	Cabling/Cable Supplies		\$500		
	Total	\$91,290	\$94,280	\$64,295	

	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Budget</u>	<u>Budget Breakdown</u>
10-51-100	Personnel Services	\$377,000	\$313,680	\$310,822	
10-51-105	Overtime	\$20,250	\$10,000	\$4,000	
10-51-110	Uniform Expense	\$3,000	\$3,800	\$3,000	
10-51-130	Employee Benefits	\$175,000	\$234,774	\$203,320	
10-51-221	PSPRS Board Attorney	\$100	\$100	\$100	
10-51-222	SEACOM	\$500	\$50,000	\$81,950	SEACOM Contract
XX-XX-XXX	Insurance	\$0	\$0	\$3,500	9 Vehicles
XX-XX-XXX	Prosecution Fees	0	0	\$6,600	50% split court/PD
10-51-271	Telephone	\$4,900	\$5,200	\$4,900	
10-51-290	Office Supplies	\$1,500	\$1,000	\$300	
10-51-295	Printing Expense	\$1,000	\$1,500	\$200	
10-51-340	Utilities	\$0	\$0	\$7,822	
10-51-365	Shredding Services	\$900	\$800	\$0	
10-51-480	Maintenance & Supplies	\$5,000	\$3,500	\$3,500	
10-51-466	Weapons & Ammunition	\$21,000	\$2,000	\$500	
10-51-470	Vehicle Expense	\$12,000	\$8,000	\$6,000	
10-51-475	Police Fuel Expense	\$13,000	\$12,000	\$12,000	
10-51-480	Computer Expense	\$1,000	\$1,200	\$1,600	Email
10-51-505	Police Vehicle Impound Fee	\$2,500	\$4,250	\$2,000	

10-51-820	Equip Repair & Maintenance	\$17,000	\$8,500	\$4,900
10-51-840	Membership	\$1,200	\$400	\$200
10-51-880	Travel & Training	\$5,500	\$1,000	\$8,850
10-51-886	Community Relations	\$1,000	\$750	\$100
10-51-706	Capital Lease	\$2,000	\$2,300	\$2,800
10-51-840	Police Capital Outlay	\$5,500	\$6,250	\$2,900
10-51-841	Vehicle Lease	\$13,000	\$0	\$8,000
10-51-846	Office Furniture	\$500	\$100	\$0
10-51-858	Body Worn Camera Program	\$3,200	\$3,368	\$4,100
10-51-857	Asset Forfeiture Expenses	\$25,000	\$8,500	\$500
	<u>Total Police Expenditures</u>	<u>\$712,550</u>	<u>\$688,891</u>	<u>\$684,484</u>

-0.64%	Budget Decrease or Increase
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	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
10-52-100	Personnel Services	\$56,160	\$45,760	\$12,480	(2-ACO's)
10-52-105	Overtime	\$5,100	\$0	\$0	20 hours each
10-52-110	Animal Shelter Uniforms	\$1,300	\$200	\$300	4 sets of uniforms
10-52-340	Utilities		\$0	\$0	
10-52-130	Employee Benefits	\$28,000	\$5,460	\$1,900	
10-52-290	Office Supplies	\$250	\$200	\$0	
10-52-400	Insurance	\$0	\$0	\$400	
10-52-450	Equipment & Supplies	\$5,000	\$2,000	\$0	
10-52-460	Maintenance & Supplies	\$2,500	\$3,850	\$0	
10-52-461	Animal Food	\$1,500	\$2,050	\$0	Get small amount from Sv
10-52-462	SV Contract Payment (was pest control)	\$550	\$550	\$2,450	\$49 per animal 50 animals
10-52-463	Medicine/Vaccine	\$6,000	\$3,000	\$12,500	50 animals
10-52-464	Animal License Fees	\$100	\$0	\$50	
10-52-465	Health & Safety	\$300	\$300	\$100	
10-52-470	Vehicle Maintenance	\$2,000	\$1,000	\$500	
10-52-471	Vehicle Payment	\$10,000	\$10,800	\$0	
10-52-480	Computer Expense	\$1,500	\$1,000	\$0	
10-52-680	Travel & Training	\$2,000	\$1,500	\$500	
10-52-685	Community Relations	\$1,000	\$400	\$0	
		\$123,280	\$78,070	\$31,180	

-60.06%	Budget Decrease or Increase
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	<u>Account Description</u>	<u>FY 2018 Budget</u>	<u>FY 2019 Budget</u>	<u>FY 2020 Proposed</u>	<u>Budget Breakdown</u>
10-53-100	Contracted Personnel Services NFPA 1582	\$160,000	\$410,000	\$410,000	IGA
10-53-340	Utilities	\$6,500	\$0	\$7,850	
10-53-xxx	Insurance	\$0	\$0	\$3,200	firetrucks
10-53-470	Vehicle Expense	\$12,000	\$54,000	\$0	Wildland/Fords
	Total	\$178,500	\$464,000	\$421,050	

<u>Account Description</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
10-54-290	Office Supplies	\$1,500	\$0	\$0	
10-54-360	Contract Labor	\$54,000	\$54,000	\$57,000	
10-54-780	Bldg Regulation Supplies	\$1,500	\$540	\$600	
10-54-801	Abatement	\$20,000	\$8,600	\$2,000	
Total Expenditures		\$77,000	\$63,140	\$59,600	

-13.88%	Budget Decrease or Increase
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<u>Account Description</u>		<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
10-59-100	Personnel	\$1,600	\$3,000	\$4,500	
10-59-130	Employee Benefits	\$0	\$0	\$250	
10-59-140	Supplies	\$0	\$600	\$250	
Total		\$1,600	\$3,600	\$5,000	

	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposal</u>	<u>Budget Breakdown</u>
10-60-460	Maintenance & Supplies	\$2,232	\$4,000	\$2,000	
10-60-530	Community Relations-4th of July	\$1,000	\$250	\$8,000	
10-60-704	Special Activities	\$0	\$10,000	\$800	
	<i>Tree Lighting \$200</i>				\$500
	<i>Christmas Parade</i>				\$300
	<i>Community Yard Sale</i>				
	<i>National Night out</i>				
	<i>Trunk or Treat</i>				
	Total	\$3,232	\$14,250	\$10,800	

<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
Personnel Services	\$0	\$0	\$14,441	
Overtime	\$0	\$0	\$250	
Insurance	\$0	\$0	\$1,555	
Employee Benefits	\$0	\$0	\$9,762	
Contract Labor	\$0	\$0	\$1,000	
Utilities			\$30,000	
Maintenance & Supplies	\$0	\$0	\$1,715	
Equipment	\$0	\$0	\$4,000	Mowers
52-40-475 Fuel	\$0	\$0	\$1,000	
Total	\$0	\$0	\$63,723	

	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
10-62-100	Personnel Services	\$99,000	\$86,500	\$89,152	
10-62-102	New Hire	\$0	\$100	\$0	
10-62-130	Employee Benefits	\$14,000	\$10,000	\$9,788	
10-62-250	Advertising	\$100	\$250	\$0	
10-62-271	Telephone	\$3,000	\$2,000	\$2,100	
10-62-300	Insurance	\$0	\$0	\$400	
10-62-290	Office Supplies	\$3,000	\$2,500	\$1,500	
10-62-340	Utilities	\$0	\$0	\$10,600	
10-62-440	Postage	\$250	\$200	\$0	
10-62-460	Maintenance & Supplies	\$800	\$1,500	\$750	
10-62-476	Fuel	\$100	\$360	\$80	
10-62-480	Computer Expense	\$1,000	\$500	\$2,665	
10-62-481	Internet	\$1,200	\$2,300	\$4,000	
10-62-xx	Inmate Labor/Janitorial	\$1,285	\$1,285	\$1,300	
10-62-620	Vehicle Repair & Maintenance	\$500	\$400	\$400	
10-62-640	Membership	\$150	\$195	\$100	
10-62-660	Travel & Training	\$2,000	\$1,000	\$730	
10-62-703	Special Activities/Community Relations	\$1,400	\$500	\$100	
10-62-705	Capital Lease/Outlay	\$5,600	\$3,900	\$3,700	
	Total	\$133,450	\$113,490	\$127,365	

LIBRARY

HUACHUCA CITY

FY 2019-2020 Budget

12.23%	Budget Decrease or Increase
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<u>Account Description</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
10-65-100	Personnel Services	\$23,460	\$28,534	\$0	
10-65-130	Employee Benefits	\$3,835	\$3,976	\$0	
10-65-140	Professional Services		\$6,021	\$0	
10-65-280	Insurance	\$3,040	\$12,050	\$700	
10-65-470	Vehicle Expense	\$13,000	\$4,965	\$0	
10-65-475	Fuel Expense	\$7,000	\$6,732	\$0	
XX-XX-XXX	SV Contract				
Total		\$50,335	\$62,278	\$700	

<u>Account Description</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Budget</u>	<u>Budget</u> <u>Breakdown</u>
10-68-100	Personnel Services	\$7,021	\$9,200	\$0	
10-68-105	Overtime	\$0	\$0	\$0	
10-68-130	Employee Benefits	\$1,013	\$1,200	\$0	
10-68-271	Telephone	\$0	\$650	\$0	
10-68-xxxx	Insurance	\$0	\$0	\$0	
10-68-290	Supplies	\$107	\$200	\$2,000	
10-68-xxxx	Attorney Fees	\$0	\$0	\$0	
10-68-340	Utilities	\$4,440	\$5,000	\$4,800	
10-68-341	Internet Services	\$700	\$800	\$0	
10-68-462	Pest Control	\$200	\$550	\$550	
	Total Expenditures	\$31,081	\$17,600	\$7,350	

<u>Town Grants/Revenues</u>	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
	<u>Animal Shelter</u>				
10-37-165	Donations Animal shelter	\$15,000	\$5,000	\$5,000	
10-37-166	Shelter Grants	\$15,000	\$65,000	\$150,000	
	<u>Library</u>				
10-37-456	Donations-Library	\$2,000	\$2,000	\$3,000	
10-37-457	Library Grants	\$25,000	\$100,000	\$100,000	
10-37-458	Senior Center Grant	\$0	\$25,000	\$25,000	
10-38-810	Summer Splash Grant	\$3,000	\$5,000	\$5,000	
	<u>Police Grants</u>				
10-37-487	Police Donations	\$10,000	\$10,000	\$5,000	
10-37-908	AZDOHS Grant	\$99,000	\$120,426	\$120,426	
12-30-800	DHS Grant BP O/T	\$135,000	\$135,000	\$135,000	
10-37-911	AZGOHS Grant	\$120,426	\$120,426	\$120,426	
10-37-xxxx	USDA Equipment Grant	\$0	\$0	\$60,000	
10-37-921	Police Grants	\$100,000	\$100,000	\$25,000	
	<u>IT</u>				
10-37-906	IT Grants	\$15,000	\$15,000	\$15,000	
10-37-963	E-rate	\$1,500,000	\$175,000	\$150,000	
	<u>Bus Line</u>				
10-37-919	Bus Line Grant	\$75,000	\$75,000	\$25,000	
	<u>Admin</u>				
10-37-920	General admin grant	\$75,000	\$75,000	\$25,000	
29-30-801	EDA Grants	\$0	\$100,000	\$25,000	
29-30-800	CDBG	\$265,000	\$0	\$0	
	<u>Building Regulation</u>				
10-37-909	Building Regulation grant	\$25,000	\$25,000	\$10,000	
	<u>Fire</u>				
14-30-800	SCBA's Grant	\$0	\$0	\$200,000	
14-30-801	Tribal Casino Grant Fund	\$0	\$300,000	\$0	
14-30-802	Fire Act Grant	\$0	\$450,000	\$0	
73-30-850	<u>Sewer Pond Project</u>				
	<u>WIFA Loan</u>				
	WIFA Loan	\$0	\$0	\$1,500,000	
	<u>WIFA Grant</u>				
	WIFA Grant	\$0	\$0	\$500,000	
	Total Grant/Loans	\$2,479,426	\$1,902,852	\$3,203,852	

<u>Town Grants</u>	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>
	<u>Animal Shelter</u>			
10-89-800	Shelter Donations Exp	\$15,000	\$5,000	\$5,000
10-89-801	Shelter Grants Exp	\$70,000	\$70,000	\$150,000
	<u>Library</u>			
10-89-802	Library Donation Exp	\$132,000	\$132,000	\$3,000
10-89-xxx	Library Grants Exp			\$100,000
	Senior Center Grant Exp	\$0	\$25,000	\$25,000
	Summer Splash Grant Exp	\$3,000	\$5,000	\$5,000
	<u>Police Grants</u>			
10-89-845	Authorized Grant/Donation Exp	\$110,000	\$25,000	\$30,000
10-89-846	AZDOHS Grant Expenditures	\$99,000	\$99,000	\$120,426
12-40-130	DHS Grant BP O/T Emp Benefits	\$7,120	\$0	\$17,500
12-40-131	DUI Task Force O/T Exp	\$0	\$0	\$100,000
12-40-135	PSRS Exp	\$7,500	\$0	\$17,500
10-89-847	AZGOHS Grant Expenditures	\$120,426	\$120,426	\$120,426
	USDA Equipment Grant	\$0	\$0	\$60,000
	<u>IT</u>			
10-89-803	IT Grant Exp	\$1,515,000	\$190,000	\$15,000
	E-rate	\$0	\$175,000	\$150,000
	<u>Bus Line</u>			
10-85-480	Bus Line Expenditures	\$75,000	\$75,000	\$25,000
	<u>Admin</u>			
10-89-804	Misc Expenditures	\$75,000	\$75,000	\$25,000
	EDA Grants	\$0	\$100,000	\$25,000
29-40-840	CDBG Expenditures	\$265,000	\$0	\$0
	<u>Building Regulation</u>			
10-89-805	Building Regulation expenditures	\$25,000	\$25,000	\$10,000
	<u>Fire</u>			
14-40-840	Fire truck fund	\$0	\$0	\$0
	Tribal Casino Grant Fund	\$0	\$300,000	\$0
	Fire Act Grant	\$0	\$450,000	\$0
	SCBA Grant	\$0	\$200,000	\$200,000
73-40-850	Sewer Pond Project	\$0	\$0	\$2,000,000
		\$2,519,046	\$2,066,426	\$3,203,852

<u>Revenues</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
12-30-800	DHS Grant BP overtime	135000	\$135,000	\$135,000	
	<u>Total Revenue</u>	\$135,000	\$135,000	\$135,000	
<u>Expenditures</u>					
12-40-130	Employee Benefits	\$7,120	\$7,120	\$135,000	
12-40-135	PSRS	\$7,499	\$7,499	\$0	
12-40-840	Authorized Expenditures	\$120,381	\$120,381	\$0	
	<u>Total Expenditures</u>	\$135,000	\$135,000	\$135,000	

<u>Revenues</u>		<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
20-30-200	Fines and Bails	165057	\$268,000	\$173,651	
20-30-300	Bonds	\$2,361	\$250	\$100	
20-30-400	Restitution	\$409	\$100	\$100	
20-30-500	JCEF	\$139	\$100	\$100	
	<u>Total Revenue</u>	\$167,966	\$268,450	\$173,951	
<u>Expenditures</u>					
20-40-200	Fines and Bails	\$86,461	\$268,204	\$173,651	
20-40-200	Restitution	\$1,334	\$46	\$100	
20-40-401	Bond	\$172	\$100	\$100	
20-40-500	JCEF	\$10,000	\$100	\$100	
	<u>Total Expenditures</u>	\$97,967	\$268,450	\$173,651	

<u>Revenues</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
23-30-300	Gas Tax Revenue-HURF	134661	\$147,652	\$150,048	
23-30-300	Misc Revenue	\$1,109	\$100	\$100	
	<u>Total Revenue</u>	\$135,770	\$147,752	\$150,148	
	<u>Expenditures</u>				
23-40-100	Personnel Services	\$42,941	\$45,868	\$45,868	
23-40-105	Overtime	\$925	\$1,000	\$0	
23-40-120	Professional Services	\$0	\$6,021	\$0	
23-40-130	Employee Benefits	\$13,605	\$24,558	\$24,558	
23-40-480	Maintenance and Supplies	\$5,456	\$6,000	\$6,000	
23-40-470	Vehicle Expense	\$4,000	\$2,500	\$2,500	
23-40-475	Fuel	\$0	\$1,080	\$1,080	
23-40-490	Road Repair	\$25,000	\$30,000	\$39,417	
23-40-610	Equipment Repair	\$5,000	\$5,000	\$5,000	
23-40-800	Misc Expense	\$5,000	\$0	\$0	
23-40-831	Capital Outlay	\$33,843	\$25,725	\$25,725	
	<u>Total Expenditures</u>	\$135,770	\$147,752	\$150,148	

<u>Account Description</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
51-30-200	Water Sales	\$160,872	\$156,910	\$246,553	
51-30-202	RC: Reconnect Fees	\$300	\$500	\$850	
51-30-300	Connection Fees	\$500	\$500	\$850	
51-30-400	Penalties & Forfeitures	\$4,000	\$12,000	\$12,000	
51-30-900	Miscellaneous	\$700	\$600	\$500	
51-30-960	WF Savings Transfer In	\$0	\$47,334	\$0	
Total Revenues		\$166,372	\$217,844	\$260,753	

	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
51-40-100	Personnel Services	\$24,930	\$70,635	\$64,985	
51-40-105	Overtime	\$1,257	\$1,000	\$1,200	
xx-xx-xxx	Standby Time	\$0	\$0	\$4,160	
51-40-110	Uniform Expense	\$2,000	\$4,500	\$2,400	
51-40-130	Employee Benefits	\$15,000	\$24,558	\$43,730	
51-40-280	Insurance	\$10,364	\$11,000	\$3,110	
51-40-290	Office Supplies	\$600	\$0	\$200	
51-40-340	Utilities	\$37,540	\$31,000	\$43,200	
51-40-380	Contract Labor	\$12,500	\$5,000	\$11,700	
51-40-370	Sales Tax	\$5,000	\$13,200	\$12,700	
51-40-440	Postage	\$2,200	\$1,000	\$3,400	
51-40-460	Maintenance & Supplies	\$15,000	\$14,000	\$20,000	
51-40-470	Vehicle Expense	\$5,000	\$2,500	\$3,500	
51-40-475	Fuel Expense	\$3,000	\$4,320	\$8,000	
51-40-480	Computer Expense	\$0	\$610	\$200	
51-40-510	Water Test	\$6,356	\$7,500	\$12,400	
51-40-610	Equipment Maintenance	\$10,048	\$20,000	\$7,900	
51-40-650	Professional Services	\$5,449	\$6,021	\$8,938	
51-40-680	Travel	\$326	\$700	\$400	

Water Expenditures

Town of Huachuca City

FY 2019-2020 Budget

51-40-840	Water Capital Outlay	\$7,658	\$0	\$100
51-40-900	Bad Debt Expense	\$300	\$300	\$100
	Total Expenditures	\$164,528	\$217,844	\$252,323

<u>Account Description</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
52-30-200	Sewer Services	\$123,742	\$113,658	\$216,846	
52-30-300	Connection Fees	\$1,584	\$500	\$1,000	
52-30-950	WF Savings Transfer In	\$0	\$45,281	\$0	
	Total Revenues	\$125,326	\$159,439	\$217,846	

	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
52-40-100	Personnel Services	\$62,395	\$70,635	\$64,985	
52-40-105	Overtime	\$951	\$1,000	\$1,000	
52-40-xxx	Standby	\$0	\$0	\$4,160	
52-40-130	Employee Benefits	\$15,371	\$41,663	\$43,730	
52-40-xxx	Uniform Expenses	\$660	\$0	\$2,400	
52-40-340	Utilities	\$660	\$0	\$7,100	
52-40-360	Contract Labor	\$10,651	\$3,600	\$18,000	
52-40-370	Insurance	\$0	\$0	\$3,110	
52-40-460	Maintenance & Supplies	\$10,000	\$10,000	\$10,000	
52-40-470	Vehicle Expense	\$412	\$2,500	\$3,000	
52-40-475	Fuel	\$1,951	\$5,172	\$8,000	
52-40-480	Computer Expense	\$2,013	\$500	\$200	
52-40-516	ADEQ Fees	\$2,727	\$3,000	\$1,000	
52-40-610	Equipment Maintenance	\$29	\$5,000	\$6,000	
52-40-630	Sewer Chemicals		\$0	\$800	
52-40-650	Professional Services	\$7,538	\$7,021	\$8,938	
52-40-702	Sewage Pond Compliance	\$6,108	\$10,000	\$5,000	
52-40-900	Bad Debt Expense	\$200	\$200	\$100	
52-40-xxx	Payment on WIFA loan	\$0	\$0	\$25,000	
Total expenditures		\$121,666	\$160,291	\$212,523	

<u>Account Description</u>		<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
64-30-200	Sales Receipts	\$127,474	\$126,748	\$144,250	
64-30-950	WF Savings Transfer In	\$0	\$44,515	\$0	
Total Garbage Revenues		\$127,474	\$171,263	\$144,250	
-15.77% Budget Decrease or Increase					

<u>Account Description</u>		<u>FYE 2018</u> <u>Budget</u>	<u>FYE 2019</u> <u>Budget</u>	<u>FYE 2020</u> <u>Proposed</u>	<u>Budget</u> <u>Breakdown</u>
54-40-380	Contract Labor-Waste Management	\$5,840	\$0	\$122,000	Pay for garbage a
54-40-450	Equipment/Supplies	\$200	\$15,000	\$1,000	Postage
54-40-821	Town trash service	\$236	\$42,000	\$1,900	
54-40-840	Garbage Capital Outlay	\$37,693	\$40,000	\$0	
54-40-850	Admin Fees Transfer to G.F.	\$0	\$0	\$19,350	
Total Expenditures		\$43,969	\$97,000	\$144,250	

	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
55-30-100	Interest Earnings	\$2,244	\$250	\$500	
55-30-200	Sales-Landfill	\$1,256,831	\$1,274,912	\$1,257,258	
55-30-201	Late Penalties	\$10,000	\$1,000	\$1,000	
55-30-205	Misc Revenue	\$572	\$600	\$2,500	
55-30-206	Roll-Off Truck Fund	\$0	\$50,000	\$0	
55-30-210	Tipping Fees	\$90,000	\$130,000	\$135,000	
55-30-400	Sale of Fixed Assets	\$120,000	\$120,000	\$75,000	
55-30-405	Recycle	\$60,000	\$2,000	\$6,000	
	Total	\$1,530,647	\$1,578,762	\$1,477,858	

	<u>Account Description</u>	<u>FYE 2018 Budget</u>	<u>FYE 2019 Budget</u>	<u>FYE 2020 Proposed</u>	<u>Budget Breakdown</u>
55-40-100	Personnel Services	\$272,816	\$369,838	\$211,222	
55-40-102	New Hire	\$0	\$0	\$200	
55-40-105	Overtime	\$8,000	\$8,000	\$7,500	
55-40-110	Uniform Expense	\$6,000	\$7,000	\$6,000	
55-40-130	Employee Benefits	\$96,500	\$147,105	\$136,807	
55-40-250	Advertising	\$0	\$250	\$750	
55-40-285	Bank Costs Fees	\$5,000	\$15,000	\$34,500	
55-40-280	Insurance	\$60,000	\$36,000	\$6,100	equipment
55-40-290	Office Supplies	\$250	\$250	\$1,000	
55-40-337	Property Lease	\$530,000	\$571,193	\$702,955	
55-40-340	Utilities	\$11,500	\$13,000	\$21,600	
55-40-350	Safety Equipment	\$2,000	\$250	\$400	
55-40-360	Contract Labor Hugh Prison labor	\$11,000	\$28,000	\$30,500	
55-40-385	Contract Services	\$80,000	\$25,000	\$0	
55-40-460	Maintenance & Supplies	\$15,000	\$35,000	\$45,000	
55-40-470	Vehicle Expense	\$2,000	\$500	\$500	
55-40-475	Fuel Expense	\$3,000	\$77,855	\$81,000	
55-40-480	Computer Expense	\$1,000	\$2,000	\$3,000	
55-40-500	Bldg Maintenance	\$1,000	\$250	\$250	
55-40-515	Lab Fees	\$5,000	\$5,000	\$7,000	
55-40-515	Engineering	\$10,000	\$5,000	\$1,000	
55-40-516	ADEQ	\$10,000	\$15,000	\$10,000	
55-40-610	Equipment Maintenance	\$100,000	\$60,000	\$40,000	

55-40-850	Audit Audit Accountant	\$10,000	\$6,021	\$17,875
55-40-860	Travel	\$1,000	\$250	\$500
55-40-705	Capital Lease Caterpillar	\$300,099	\$95,000	\$81,180
55-40-840	Landfill Capital	\$57,000	\$3,000	\$22,916
55-40-841	Roll-off Truck Reimbursement	\$0	\$50,000	\$0
55-40-855	Methane Monitoring	\$3,000	\$3,000	\$2,500
	Total	\$1,601,165	\$1,578,762	\$1,472,255

POLICE OFFICER TRAINING REIMBURSEMENT AGREEMENT

This Agreement is made effective this ____ day of _____, 20____, by and between the Town of Huachuca City through its Police Department (hereinafter the "Police Department"), and _____ (hereinafter the "Applicant").

WHEREAS:

- A. The Police Department employs individuals to perform the duties and responsibilities of police officers; and
- B. The Police Department has undergone considerable expense in recruiting, screening and hiring Applicant. The Police Department will incur additional expenses to train Applicant. For individuals who are not yet certified, these costs include, but are not limited to:

- Approximately \$11,560.00 (minimum pay range) in salary during the seventeen week police academy
- Approximately \$1750 in meals/lodging expenses
- Approximately \$1000 in bullet vest/carrier expenses

Total training costs: \$14,310.00

- C. The Applicant recognizes that the training and education that the Applicant will receive is beneficial to the Applicant independent of Applicant's employment with the Police Department; and
- D. The intent of this Agreement is to provide for the training of the Applicant as a police officer and to specify the consideration that the employee provides to the Police Department in return for the training.

NOW THEREFORE, the parties to this Agreement, in consideration of the mutual covenants and stipulations set forth herein, agree as follows:

1. The Police Department will pay the total training expenses necessary to employ the Applicant as a police officer, will pay his/her salary during his/her Academy training, and will provide twelve weeks FTO training to the Applicant.
2. The Applicant agrees to devote full time and best efforts to the training program and to diligently perform all assignments made in connection therewith.
3. The Applicant understands that employment with the Police Department is contingent upon his/her completion of all required training and a twelve (12) month probationary period, along with continued performance to the satisfaction of the Police Department.
4. In exchange for the paid training, the Applicant agrees to remain in the employment of the Police Department for a period of three years (3) from his/her date of hire.
5. Nothing contained herein shall be construed as a promise or agreement by either the

Police Department or the Town of Huachuca City to retain the Applicant as a police officer for three (3) years or any portion thereof. This Agreement shall not be construed in any way as an employment agreement that would proffer a property right or interest on the Applicant. The Police Department specifically reserves the right to terminate the Applicant's employment during the three (3) year reimbursement period.

6. The Applicant specifically and expressly agrees that if Applicant resigns his/her employment prior to completing three (3) years of employment with the Police Department, that Applicant shall reimburse the Police Department for its expenses identified in Paragraph B, less any amount paid by another agency, as follows:
 - a. One hundred percent of the \$14,310.00 ("training expenses") if the applicant resigns within twelve months after beginning employment.
 - b. Sixty-six percent of the training expenses if the applicant resigns more than twelve months but less than twenty-four months after beginning employment.
 - c. Thirty-three percent of the training expenses if the applicant resigns more than twenty-four months but less than thirty-six months after beginning employment.
7. In the event that the Applicant is called to active military duty or is granted an extended leave of absence for any reason, the three (3) year period shall be extended for a period of time equal to the time of military service or approved leave of absence.
8. In the event that Applicant is required to reimburse Police Department under the terms of this Agreement, the Applicant agrees to make such reimbursement within thirty (30) days from the date of resignation. In addition, the Applicant agrees and consents that the Police Department may, at its sole election, withhold any and all sums due to the Applicant from the Police Department, to include wages, unused vacation, sick leave and/or compensatory time to satisfy, either in full or in part, the reimbursement amount owed. The retainage authorized by this section shall not operate to waive the right of the City or Police Department to commence legal proceedings to recoup any outstanding balance.
9. The Applicant does hereby expressly acknowledge and understand that, in addition to any remedies at law or in equity that the Police Department may have to recover any amounts owed hereunder, the Police Department, at its sole election, may also seek to have the Applicant decertified as an Arizona law enforcement officer.
10. The Applicant expressly acknowledges that this Agreement gives him/her no right to continued employment beyond those given by the laws of the United States, the State of Arizona, or under any personnel manual or City or Police Department policy now or hereinafter in effect.
11. The Applicant further agrees to pay all court costs, attorney's fees and other costs incurred by the City or Police Department in an action to enforce this Agreement and/or to collect any amounts owed hereunder.
12. The waiver of any covenant or condition by the Police Department shall not be construed as a waiver of a subsequent breach of the same covenant or condition. The waiver of exercise of any legal right hereunder shall not be construed as a waiver of any other action or right the City or Police Department may have pursuant to the terms of this Agreement.

13. The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect and enforceable to the fullest extent of the law.
14. Any dispute, controversy, claim or cause of action arising out of or related to this Agreement shall be governed by Arizona law. The venue for any such dispute shall be in Cochise County, Arizona.
15. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This Agreement may be modified, amended, altered or extended only by a written amendment signed by the parties.
16. The Applicant certifies that he/she has read and understands this Agreement, that he/she has been provided the opportunity to ask questions about the terms of the Agreement, that any questions regarding the terms of the Agreement have been fully and sufficiently answered.

IN WITNESS WHEREOF, this Agreement is executed this ____ day of _____, 20__.

TOWN OF HUACHUCA CITY

Matt Williams, Town Manager

James Thies, Police Chief

APPLICANT

Print Name

Signature

